

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD  
3:00 p.m. - 6:00 p.m.  
TUESDAY, JUNE 29, 1982

The House met at 3:00 p.m.

Mr.Speaker in the Chair.

MR.SPEAKER (Russell): Order, please!

I understand there are some members of the United Brotherhood of Carpenters and Joiners , Local Union 2564,in the galleries today and on behalf of all members I welcome you to the galleries.

SOME HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

MR.SPEAKER: The hon. Leader of the Opposition.

MR.NEARY: Mr.Speaker, now that the federal government in its Budget brought down last night has led the way by using Cabinet power -

SOME HON.MEMBERS: Oh,oh!

MR.NEARY: - hon. gentlemen should listen for the question - using Cabinet power, discretionary power to ask the Public Utilities Boards that come under federal jurisdiction to restrain prices on such things as transportation to six per cent this year and five per cent next year, will the administration be asking the boards that come under provincial jurisdiction, such as the Public Utilities Board and the Rent Control Boards,to limit any increases on items that come under their jurisdiction to six per cent and five per cent in the next two years? That is for the Government House Leader.

MR.SPEAKER: The hon. President of the Council.

MR.MARSHALL: Well, Mr. Speaker, obviously these are matters for assessment and consideration,and the Premier at the present time is on his way to Ottawa for the purpose of attending the meeting that was requested by the Prime Minister,so these would be matters for

MR. MARSHALL: assessment at the particular time. However, it does have to be pointed out, particularly with respect to the Public Utilities Board, that in the event that any future raises are restricted to six per cent, and in the further event that there are increased costs incurred by utilities over and above six per cent which are beyond the control of the public utility concerned, that then and in that event that amount has to be paid, that amount will have to be paid. So that if you did it by restricting it to six per cent, any difference or any excess that would have to be picked up would have to be picked up by general taxation. So these are the issues and the

MR. MARSHALL:

questions that occur in response. The question in itself brings on a question in its answer and indicates the fact and the reason why we would have to consider and why the matter will be put under consideration. In due course the government will make its position known.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition.

MR. NEARY:

Mr. Speaker, then the hon. gentleman, of course, is admitting in his answer that the administration have it in their power to effectively keep electricity rates down, to keep rents down, to keep telephone bills down and all other matters that fall under the jurisdiction of provincial boards, whether it be the Public Utilities Board or the Rent Control Board, that they have it within their power to keep prices down if they follow the example set by Mr. MacEachen in his budget last evening?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, there are lots of things in which we would not follow the example of Mr. MacEachen in his budget last evening.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

For instance, Mr. Speaker, this Province did not follow his example last year when despite the hints of doom and gloom during the election, very proudly we came in with a surplus on current account.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

And this year we predict a surplus on current account, not to predict a \$9 billion deficit on current account and turn up with a close to

MR. MARSHALL: \$20 billion deficit on current account. So we will not be following Mr. MacEachen's example. The situation is to what is within our control; there are certain things, obviously, within provincial control as well as within federal control and our decision on that will have to be made after sober weighing of all the factors involved. We have to consider on the one hand the social good as well as the private good, and we will be weighing all of these factors in coming to our decision.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: But I would make it quite clear to the hon. gentleman, as opposed to the hon. gentlemen there opposite who follow the federal government's examples like little lap dogs, this government, Mr. Speaker, will not be following by any means the lead of Mr. MacEachen as it comes to deficit financing and as it comes to keeping the cost to Canadians sky-high by failing to deal with such essential elements as interest rates.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): A supplementary, the hon. the Leader of the Opposition.

MR. NEARY: When it comes to cooking the books, the hon. gentleman can teach Mr. MacEachen

MR. S. NEARY: an example, Mr. Speaker, and the pot calling the kettle black when it comes to a deficit. The debt of this Province, which is \$3.2 billion, is next to the Government of Canada - the per capita debt of this Province is next to the Canadian Government's debt. \$3.2 billion and nothing to show for it.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. NEARY: I wonder if Your Honour keep the Muppets quiet for a few moments.

Would the hon. gentleman indicate to the House whether the administration will try to keep civil servants wages to the five per cent level that was announced by the provincial Minister of Finance (Dr. J. Collins) in his budget, or will the administration now opt for the federal government's six per cent in the coming year and five per cent in the second year? Which formula now will the administration use? Will they be using the five per cent announced by the Provincial Minister of Finance when he brought the budget down in the House, or will they be going for the six and five in the next two years?

MR. SPEAKER: The hon. the President of the Council.

MR. W. MARSHALL: As to cooking the books, I refer the hon. gentleman to statement number one of the budget which shows clearly and concisely, after our auditors have gone through it, a \$4.5 million surplus on current account. Some cooking of the books!

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: It took some cooking, Mr. Speaker, it took some cooking, and the people of Newfoundland were not fried as they would have been had the hon. gentleman had anything

MR. W. MARSHALL:

to do with it.

As to the \$3.2 billion debt he talks of, the hon. gentleman quite frankly forgets the fact that in 1971 the then administration which came to power inherited a \$1 billion debt, which with accumulated year after year interest on it, brings the total debt attributable to the Liberal Government to about \$2,002,000,000. The rest of the debt, Mr. Speaker, can be traced to such things as bringing about the change in the Labrador Limerboard and wrestling with the mess that the hon. gentleman has left with us. Now, I believe the hon. gentleman also asked a question but having gone into that flight of rhetoric I cannot remember. What was it the hon. gentleman said?

MR. NEARY: I wanted to know will the Minister of Finance (Dr. J. Collins) be using the five per cent wage increase or will or six per cent as directed by the federal government?

MR. MARSHALL: Mr. Speaker, when this government speaks it speaks after a great deal of deliberation. The budget before last, the hon. the Minister of Finance brought in a budget, he predicted a surplus, the surplus occurred, despite the fact that between the time when the end of the year and the revealing of the end of year, there were all sorts of hints from the opposite side and charges and statements, and unfounded statements, to the effect that there was going to

MR. MARSHALL:

be a huge deficit and not a surplus. The hon. Minister of Finance (Dr. Collins) made a very cogent Budget Speech, the best Budget Speech in the circumstances -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - that this Province has seen in all of its history. The only Province in Canada, Mr. Speaker, that predicts a balance on current account, the only Eastern Canadian Province that predicts a balance on current account.

So I assume when the hon. Minister of Finance speaks, he weighs things, and he weighs things very carefully, he has weighed things very carefully in his Budget Speech and I do not think that the Minister of Finance has seen any need to make any alterations to that as a result of Mr. MacEachen's speech, but I do not want that statement to be interpreted in any way, Mr. Speaker, as pre-empting or giving an indication as to what may result as a result of the conference of the First Ministers. That is a matter for consideration and weighing.

But I can certainly state to the hon. gentleman, and I know the Minister of Finance will concur, that it is not the administration's intention to change the major parts of the Budget, and that was one of the major elements.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, would the hon. gentleman indicate if the Cabinet met in an emergency session to give the Premier instructions on what position he should take at the First Ministers' Conference in Ottawa tomorrow?

MR. NEARY: Or is the Premier just flying by the seat of his pants to make up his mind at the conference? Or does he have instructions from the Cabinet of what policy to follow at the meetings in Ottawa?

MR. SPEAKER (Russell): The hon. President of the Council

MR. MARSHALL: Mr. Speaker, you know, the hon. gentleman then is projecting himself. He projects himself in the way in which the hon. gentleman was used to operating when he was in a Cabinet. And the situation is, Mr. Speaker, that the Premier does not get directions or seek instructions, neither does he act on his own. The hon. Premier seeks advice from his Cabinet and he gets the advice willingly from time to time. So obviously he discusses this matter with his Cabinet ministers and that is the way this government operates and that is one of the reasons the finances and the whole management of the Province is indicating that it has been handled in such an effective and efficient manner.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Fogo.

MR. TULK: Mr. Speaker, I have a question for the Minister of Forest Resources and Lands (Mr. Power), and it concerns a brief that was presented by Loggers Local Union 2564, The United Brotherhood of Carpenters and Jointers of America, just over a year ago, I think it was May 26, 1981 it was presented to the Premier. I presume that the minister is aware of that brief, and I presume he is aware of the allegations that are in it, and that is that Abitibi-Price and Bowaters, because of the method of issuing permits in this Province, are getting cheap wood, are getting it at the expense

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MR. TULK: of the woodcutter and his family by paying less than they would pay for timber cut on their own limits. And I know that he also understands that the brief emphasizes a lack of fringe benefits that are included for those people who cut on Crown limits

MR. TULK: under permits that are issued by the minister. Now first of all I want to make sure the minister is aware of the brief, has he replied to the union's allegations, when did he reply and was the reply in writing?

MR. SPEAKER (Russell): The hon. Minister of Forest Resources and Lands.

MR. POWER: Mr. Speaker, as it relates to the brief from the loggers union, we certainly are fully aware of it in the department. We have responded to the brief in writing and in great detail some time ago. We have had numerous discussions with members of the loggers union, discussions with my departmental staff at the beginning, discussions with myself, discussions with the Resource Policy Committee of Cabinet. We have spent a great deal of time, as I say, in negotiations, discussions and deliberations with the loggers union as it relates to the points of contention in their brief. There are still some serious philosophical differences, if you want, between how the department and the government perceives wood cutting permits in the Province and how the union would like to have them done. To this stage in the game we have, as I say, responded to the brief. I understand that there is a petition in the Province to be presented to the House very shortly as it relates to the items in the brief itself. And all I can say, Mr. Speaker, to all members of the House is that we are working as closely as we possibly can with members of the loggers union to obtain and attain their legitimate objectives, albeit we disagree sometimes with the format for doing that.

MR. TULK: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, the hon. member for Fogo.

MR. TULK: Mr. Speaker, I presume that the minister refused the union's request for a two permit system for Bowaters and Abitibi-Price. I would like to ask him very simply, what reasons did he give the union for refusing their request for that two permit system or has he indeed refused it?

MR. SPEAKER (Russell): The hon. Minister of Forest Resources and Lands.

MR. POWER: Mr. Speaker, to this date we have refused the two permit system and we do not agree with it as it relates to the cutting and supplying of pulpwood in this Province. The main reasons for us disagreeing with that as a government I guess is basically that in the market system that is there there has to be some way in which cutters of pulpwood can, I suppose, decide a price relating to the market conditions that are there, both the locally supplied pulpwood and wood that is needed for export. Our argument has been with the union that as in the past they have negotiated with the company certain terms and conditions of a mutual agreement between the union and the company. One of the historical conditions in those agreements was the supply of pulpwood from Crown limits. As I understand it, that is still a negotiated item in the Bowaters union agreement, it is not an item in the Abitibi agreement, and government's basic reaction to the brief and to that part of the brief is simply that the union could easily sit down and in the negotiating process with the companies, such as negotiating salaries and fringe benefits, can also easily negotiate the amount of pulpwood that should become available to Abitibi-Price from Crown limits. Done that way, then there is no need for simply having two cutting permits in the Province, which would cause some severe restrictions on other persons who produce pulpwood in the market place.

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MR. TULK:

Supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

Supplementary, the hon. member

for Fogo.

MR. TULK:

Mr. Speaker, the minister is

either talking like a company

MR. TULK:

man or he is naive enough to believe everything that the company tells him. Now the union alleges, Mr. Speaker, that not only are the companies getting wood for cheap labour, for cheap prices, but that some of the people cutting this wood are living in tar paper shacks and that they travel perhaps up to seventy miles each way back and forth to get to work. I want to ask the minister, very straightforwardly, is this true? Has he indeed investigated this matter? And what has he found as a result of his investigation? Perhaps he can also tell us how many workers are involved in living in those kind of conditions in the Province?

MR. SPEAKER (Russell): The hon. Minister of Forest Resources and Lands.

MR. POWER: Mr. Speaker, let us set the record absolutely straight, I am not a company man, nor am I a member of the loggers union. We are responsible for administering the forest lands in this Province and the forest resource, which we are doing, better than it has ever been done in the history of Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. POWER: This administration has put into place certain things in the last three years, and in the last seven or eight years particularly, which make the loggers life going to be a lot easier one and a lot more secure and safer one over the next 30 or 40 years by putting into place good forest management practices, by forcing the companies to invest in silviculture, by creating much badly needed jobs in the Province, at the same time improving the forest resource.

Mr. Speaker, we co-operated with the union in many, many given instances to improve and increase the value of the Newfoundland forest resource.

MR. POWER: As it relates to whether I went out and inspected some of the instances that are mentioned in the loggers brief, that is absolutely correct. I, along with the president of the local in Grand Falls, and some of his members and some of my staff, went to some of those locations, looked at the facilities; we talked to the persons involved. We had negotiations and discussions also with not only the companies but the independents involved, and we are still as a government convinced that the union process can effectively play a role in this area: That if those persons are not getting enough money, or an appropriate or adequate amount of money from the companies for the pulpwood that they produce, then there is a union process; the union can go out and organize, the union can get those persons in the union agreement, and then in the confines of the union agreement any negotiations with the company, you can negotiate price, you can negotiate working conditions, and you can also negotiate the amount of pulpwood that is allowed to go into Abitibi-Price or Bowaters from Crown limits.

MR. TULK: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Fogo.

MR. TULK: Mr. Speaker, I want to refer the minister to a letter that he wrote to Mr. Gonzo Gillingham, international representative of the union, on December 10th., 1981, in which he pointed out, "On the issue of working conditions," and I quote from his letter, "of loggers employed by contractors on Crown areas, I will also be taking some definite steps. There is of course existing legislation through the Departments of Health and Manpower covering this area."

MR. TULK: "I will be instructing my staff to ensure that the appropriate agencies are notified immediately of any breach of these regulations by contractors." Now was he referring to the Logging Camp Act which perhaps does not, it does not as far as I know, even require that there be a floor in the place where a person has to live? Did he indeed notify the agencies, namely the Department of Health, about the living conditions of some of those workers and is he saying that as a result of his trip the conditions are not as the union describes them in that brief?

MR. SPEAKER (Russell): The hon. Minister of Forests Resources and Lands.

MR. POWER: Mr. Speaker, I have some disagreement with some of the things and some of the way things are stated in the union brief as given to us. I do not disagree with the union when it comes to say that some of the conditions that those independent loggers have to live with are certainly not what you would expect any worker in the Province to have. I have talked to the Department of Labour, I have talked to our own departmental people when we issue cutting permits, and we are doing as much as is possible to improve a very long-standing problem in the forest industry in Newfoundland. And as I mentioned earlier, we think that the department and this government has made significant moves in improving the forest space and also in improving both the livelihood, the safeguard to livelihood of the job itself, and also the conditions under which those persons have to work. It is not something that can be done overnight, it is something that is going to take a fairly significant amount of time, and we are going everything possible, both our department and the other departments of government, and in conjunction with the union and the companies, to make those things as livable

MR. POWER: and as workable as is humanly possible in as short amount of time considering the traditional nature of the problem.

MR. TULK: A supplementary.

MR. SPEAKER (Russell): A final supplementary. The hon. member for Fogo.

MR. TULK: Mr. Speaker, the minister also in that same letter made a commitment that he would see that those people that were cutting on Crown limits for Abitibi-Price and Bowaters became organized in order that they would get a better price for their wood. That is in that same letter. I would like to ask him what steps he has taken in regard to seeing that those people are indeed organized? Has he contacted the union and asked the union to organize them, has he undertaken through his own department to organize them so that they can indeed perhaps get a better price for that wood?

MR. SPEAKER: The hon. Minister of Forests Resources and Lands.

MR. POWER: Mr. Speaker, the member for Fogo (Mr. Tulk) seems to be a little bit confused or does not understand the role of the Department of Forest Resources and Lands, the role of the Department of Labour, the role of the loggers union. Certainly it is not my function or the function of any departmental staff to go out and force persons to organize. What I said in my letter to Mr. Gillingham at the time, which I will continue to reiterate and which I believe in now as much as I did when I wrote the letter, that there is a process for organizing those persons. We have had many of those independent contractors into the department -

MR. NEARY: You should have had them.

MR.SPEAKER (Russell): Order, please!

MR.POWER: - told them of the approach that could be used, told them that if they want the increased benefits , the fringe benefits of health and life insurance and things that the union persons have who work with the companies, then that can be easily obtained by becoming organized themselves if they so wished. The company obviously knows the list of contractors and employers that are involved in the independent cutting of pulp-wood. Certainly this department has no intention of going out and forcing those companies to be organized. We will encourage it if the working conditions are better and if it get more money into the Province and makes working conditions better for the workers involved, but certainly we have no intention as a department of going out and intimating those small independant workers to get organized unless they wish

MR.SPEAKER: The hon. member for Eagle River.

MR.HISCOCK: My question, Mr. Speaker, is to the Minister of Education (Ms Verge) concerning the community of Paradise River.

MR. HISCOCK: I have written the Minister of Education on this several times before concerning schools only up to Grade VIII, particularly Black Tickle, Paradise River, Northern Bay, Lodge Bay, Pinsent Arm, Williams Harbour and Charlottetown, who have to send their students out after Grade VIII. And now with the Grade XII, of course, they will have to send them out much longer.

The question I want to ask is Paradise River has notified me today that out of their students, four went to Cartwright last year and passed under bursary programmes, next year they want to send six students, but the people in Cartwright will not take their students for several reasons. One reason is the amount of money they are receiving from bursaries from the students, and the other one is, of course, accommodations itself.

The question I have to ask is can the Minister of Education inform this House and the people along the Labrador Coast whether she will bring in any plans to have some type of dormitory set up in Cartwright with group parents?

MR. SPEAKER (Russell): The hon. the Minister of Education.

MS VERGE: Mr. Speaker, the matter of accommodations at Cartwright for students completing their high school programme from nearby communities is one that I am prepared to pursue with the Labrador East Integrated School Board, which I understand would be the school board involved.

A related matter which the member for Eagle River (Mr. Hiscock) addressed in his preamble is the amount of the bursary paid by the Department of Education to cover the cost of accommodations

MS VERGE: of students having to leave home to complete high school. That is a matter which is now being considered within government. I recognize the need to increase the amount of the bursary since it has not been increased for the past few years and it has not kept pace with the cost of living increase.

MR. HISCOCK: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): A supplementary, the hon. the member for Eagle River.

MR. HISCOCK: With regard to the part of these smaller schools on Coastal Labrador as well as Northern Newfoundland, with respect to Grade XII, does the Department of Education have under review - because they closed down the dormitory, let us say, in Northwest River five or six years ago, the drop-out rate has continued to increase in these local communities. What steps is the Minister of Education going to take to make sure that the students on Coastal Labrador are not relegated to being second-class students in this Province?

MR. SPEAKER: The hon. the Minister of Education.

MS VERGE: Mr. Speaker, the dormitory, the boarding school at Northwest River was closed at the same time as high schools were opened in most of the coastal communities, thereby rendering the boarding school at Northwest River unnecessary. That arrangement of serving students through their completion of high school in their home communities is one that was preferred by families along the Coast of Labrador and I think that arrangement has amounted to an improvement in the quality of education for Labrador residents.

MS. VERGE: I realize that there are a few very small communities on the Coast of Labrador, the ones that the hon. member referred to, which cannot justify having high school in their own communities because of the smallness of their population. And for those students the bursary has been made available so that they can go to another school on the Coast of Labrador, for example, at Cartwright or at Mary's Harbour or in the North at Nain or Hopedale, to complete high school.

Mr. Speaker, the school boards operating the schools on the Coast of Labrador, there are four boards, the Labrador East Integrated Board, the Vinland Integrated Board, the Pentecostal Board and the Labrador Roman Catholic Board are offering in most cases fine programmes. They have been able to attract good quality teachers and the problem of recruiting teachers has decreased over the years. There has not been the same kind of teacher turnover as there once was.

So all the evidence points to a continuing improvement in the calibre of education for Labrador Coastal students.

MR. HISCOCK: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): A final supplementary, the hon. member for Eagle River.

MR. HISCOCK: With regard to Grade XII being brought into the Province - with regard to what the minister said of these smaller communities, that is quite true. But closing down Northwest River, I would like to know has the minister done any follow-up studies as to whether there was an increase in students finishing their grades? Because by closing down Northwest River we do not have any increase in actual fact the problem has gotten worse, particularly in

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MR. HISCOCK: the North where there is a higher dropout rate even though there are high school grades in those communities. And I am a little bit concerned with these smaller ones, Black Tickle, Northern Bay,

MR. HISCOCK: Lodge Bay, Pinsent Arm, Williams Harbour, and Charlottetown, Put all those students together you would get approximately 250 students, and not one of them are reaching Grade XI. If you had a school here in St. John's or on the Island that 250 students, starting from Kindergarten to Grade XI or XII, never got through, it would be of epidemic proportion that this Province would not tolerate. And I would like to know what steps is her department - increasing the bursaries is not going to be the answer, it is more complex and complicated than that-and I would like to know is the minister going to have some follow-up of an internal study with regard to smaller schools, not only in Labrador but in Newfoundland, the Province here, with regard to the implementation of Grade XII?

MR. SPEAKER (Russell): The hon. Minister of Education.

MS. VERGE: Mr. Speaker, there is underway, as there has been over the past year, a comprehensive monitoring system to evaluate the phase in of the reorganized high school programme. There are several participants in that exercise, including representatives of school boards who directly deliver the programme to students, as well as other agencies involved in education. But, Mr. Speaker, there is also ongoing on the part of the Department of Education, in co-operation with those other agencies, an evaluation of all education programmes from Kindergarten through senior high school. The department has a good working relationship with the school boards serving Labrador. We recognize that there is a serious dropout problem in the communities referred to by the member for Eagler River (Mr. Hiscock), as there is in other parts of our Province, and that problem is going to be addressed in a comprehensive way over the next year, which will follow many studies by the agencies with the leadership of the Federation of School Boards.

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MS. VERGE: The dormitory as part of a boarding school at Northwest River was closed really in response to the people formerly served by that institution, because the families indicated that they preferred to have their children remain at home to complete high school and high schools were added in several communities along the Coast of Labrador. When the dormitory was finally closed a couple of years ago, there were only about nine students left in that large building and the continued operation of the dormitory could no longer be justified. And all the evidence suggested an overall improvement in the quality of education for the Coastal Labrador students, even though I admit there is a very high dropout problem among those students.

MS. L. VERGE: The solution will involve a gradual ongoing improvement in the programmes -

MR. NEARY: This is an abuse of the rules of the House ( Inaudible ).

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER ( Russell ): Order, please!

MS. L. VERGE: - and teacher effectiveness to serve those students where possible in their home community.

MR. SIMMS: A good, good answer.

MR. E. HISCOCK: One final supplementary, Mr. Speaker,

MR. SPEAKER: A final supplementary, the hon. the member for Eagle River.

MR. HISCOCK: Will the Minister of Education ( Ms. L. Verge ) - if her department will study this problem - will the Minister of Education undertake the possibility of not building large dormitories, as were in Northwest River, but a small bungalow having a parent with probably five or six students in it? Will the minister look at that possibility of having one maybe in Port Hope Simpson, one in Cartwright, maybe one in Nain. Something has to be done to have not only accomodations. Some of these students are staying in with larger families. There are T.V.'s on the go, there are radios on the go and it is not conducive there for study. The minister has closed down, or this government has closed down Northwest River and has not increased the bursaries and are basically leaving the students now and the communities up to whatever capabilities they have themselves. And I think that the answer could be having small dorms in some of the larger communities.

MR. SPEAKER: The hon. the Minister of Education.

MS. VERGE: Mr. Speaker, as I said before, the hon. member's suggestion is one that I am willing to pursue.

MS. L. VERGE: However, the agency directly responsible for the Coastal Labrador students is the school board - or rather the four separate school boards which directly deliver programmes to people along the Labrador Coast.

MR. W. CALLAN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Bellevue.

MR. CALLAN: Mr. Speaker, I think there is about half of a minute left in the Question Period. I want to ask the Minister of Finance ( Dr.J. Collins ) if in that brief time he could give us an update on what may be happening at the Come By Chance oil refinery? Are there any ongoing negotiations with Petro-Canada to revitalize and reactivate the refinery? What is the status of the Come By Chance refinery? We have not heard anything about it for a couple of years.

MR. NEARY: Good question.

MR. SPEAKER: The hon. the Minister of Finance.

DR. J. COLLINS: Mr. Speaker, when Petro-Canada bought the refinery - and I reported this to the House on at least one occasion, and I think several - they undertook to carry out studies that would be related not only to technical feasibility but to crude supply and also to markets, and those three elements would have to bear on their decision or otherwise to rehabilitate and reactivate the refinery. We have had meetings with them since they purchased the refinery and the information from them at that stage was that either they had not completed their studies or, having completed completed their studies, the time was not appropriate for them to take action. The last time we had a communication from them it was very much the same message. But we are now anticipating having some meetings with them,

DR. COLLINS: I would say likely in the next month or so, and try to get a bit more detail from them just to see exactly where they stand on matters other than just a report, shall we say, a brief written report or a brief verbal report saying that the time is not yet appropriate.

MR. SPEAKER (Russell): Order, please!  
Time for the Question Period has expired.

I would like to welcome to the galleries today two members from the Town Council of Cottlesville in the Twillingate district, Mr. Victor Cossell and Mr. Carl Philpott.

SOME HON. MEMBERS: Hear, hear.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I ask leave to table a document entitled The Economy 1982. This is a document that really relates also to the budgetary process and I think that hon. members will find it instructive. It relates to the economy of the Province but in the context of the Canadian and international economy.

NOTICE OF MOTION

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled "An Act To Amend The Gasoline Tax Act, 1978".

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, answer to Question 94, the request was dated May 27th from the hon. member for Port au Port (Mr. Hodder).

PRESENTING PETITIONS

MR. SPEAKER (Russell): The hon. member for Fogo.

MR. TULK: Mr. Speaker, I rise to present a petition on behalf of Local 2564 of the United Brotherhood of Carpenters and Joiners. Before presenting that petition, I understand that it is normal procedure in this House to ask the member perhaps from the district to do that and in this case I understand that the member for Exploits (Dr. Twomey) was asked and felt that he could not present the petition.

Mr. Speaker, the petition is signed by 3,694 loggers and concerned citizens throughout the Province. Mr. Speaker, I would like to start the presentation of this petition by reading the prayer of the petition. 'Loggers Local 2564, United Brotherhood of Carpenters and Joiners of America, has over the years negotiated wages and working conditions that are second to none in the forest industry, and health care and other benefits that provide protection to ourselves and to our families. These benefits have been accomplished against tremendous odds. The government, through its present forest management policy, now threatens to take these benefits away. If the government does not heed the facts of the brief

MR. TULK: 'being presented in the prayer of this petition, many loggers will have their working and living conditions revert back to what they were prior to 1959. These conditions were, in part, ably described by one of Newfoundland's most respected Supreme Court judges, the late Sir Brian Dunfield. We quote from his royal commission of enquiry into the logging industry in 1960: "The extemporized habitations of the men, made out of anything that came to hand, and equipped with bits and pieces, are really dark and squalid hovels which would not be used for hen houses except by the most primitive farmer. Dirt is everywhere. Rats are common. Dilapidation is the rule. It is not the fault of the jobber but of the system".

'It is unimaginable that our government should set up and administer a policy that will again inflict such hardship and injustice on the loggers of this Province. The prayer of this petition is that the government do what has been recommended in the brief and that regulations, or legislation if necessary, be enacted to ensure insofar as possible that the loggers of this Province shall never again be subjected to such a threat. We, the undersigned, support the brief and the prayer of this petition.'

Mr. Speaker, in presenting this petition let me make some things clear. The petition is not asking that the export wood market be subject to the prayer of the petition; they are not asking that conditions apply to sawmill operators who cut pulpwood as a by-product of their logging operations; and, number three, Mr. Speaker, the petition is not against individuals who cut wood for Abitibi-Price-Bowater. Rather, in their brief, the brief that the union talks about - and it was presented to the government I think it was last May - they show a degree of understanding of

MR. TULK: of what those individuals have to go through as the point out that they also have to make a living, those individuals, So, Mr. Speaker, Speaker, the concern here is the issuing of permits for production of pulpwood off Crown lands that becomes a part of the wood requirements of Abitibi-Price and Bowater.

The brief referred to in the petition, and I will table that brief, Mr. Speaker, is concerned with a number of things. Number one, the paper companies are getting cheap wood off Crown lands as a result of permits that are issued by this government.

Mr. Speaker, I am given to understand, and I know this to be true, that if a person cuts timber, pulpwood in this Province for Abitibi-Price off Crown lands through one of those small operators, then he is liable to receive something like seventeen dollars per cord, whereas if he had worked on either one of the company limits he would be receiving something like twenty-five dollars per cord.

The second thing that the brief points out and the petition is concerned with, is the living conditions of some of those people who have to work for those smaller contractors.

The brief, Mr. Speaker, points out, and again

MR. TULK: I saw some pictures today which are atrocious, which Charles Dickens could have a field day with in describing the working conditions of loggers in this Province.

MR. NEARY: Not Charles Power, Charles Dickens.

MR. TULK: Not Charles Power, no, Charles Dickens. The brief, Mr. Speaker, point out that people who cut cheap wood for Abitibi-Price and Bowaters in this Province, have to either live, still in the twentieth century, in tar paper shacks, or, Mr. Speaker, they may have to travel up to seventy miles each way per day. As I said, Mr. Speaker, I saw the pictures of some of those places today - as a matter of fact I worked in some of them myself in 1965 - and what I saw is unbelievable.

Mr. Speaker, the brief is also concerned about another very legitimate concern and that is it is concerned about the fringe benefits that some of those loggers are missing out on as a result of the union not being able to organize those people as a result of their cutting on Crown lands. They mention such things as pension plans, medical and drug care plans, group life insurance, and so on. As a matter of fact, Mr. Speaker, they mentioned twelve items that are missing from the lives of those people.

They also point out, Mr. Speaker -

MR. SPEAKER (Russell): Order, please! I would like to advise the hon. member that we will let him have another thirty seconds to finish up his remarks.

MR. TULK: Mr. Speaker, in view of the contention of the minister today, let me sum up by saying that I would ask the minister, if he is not prepared to accede to the demands of the brief, will he then stand in his place today and commit himself to appoint a group of representatives made up of all sectors of the industry to study this problem that is alleged to be in place by the union.

MR. ROBERTS: Hear, hear! Well said.

MR. SPEAKER (Russell): The hon. Minister of Forest Resources and Lands.

MR. POWER: Mr. Speaker, as outlined in the response to questions that we just had relating to this brief that was presented I guess over twelve months ago from the union itself, and certainly the negotiations and the discussions that have been ongoing since then, I can just reiterate what I have said during the response to questions. We are fully aware of the problem. We have fully committed ourselves in every way, shape and form to co-operate with the union, to improve the conditions under which their loggers work, to make sure that as much as is possible under the economic system that we have that benefits accrue to the people and to the Government of Newfoundland rather than to some foreign based company.

I can only say to you, Mr. Speaker, that I will be glad to table the response that we have made, the very detailed response to the loggers union some time ago, outlining in detail the point by point references as it relates to the union arguments in the brief itself. Let me say, Mr. Speaker, before I get involved in the first part of my arguments, just let me say that the member for Exploits (Dr. Twomey) was invited to present a petition to the House and I do not think that anyone in this House or outside of it would care to question the honourableness of the member for Exploits. The member for Exploits will continue, as I have had discussions with him earlier this afternoon and many other times as it relates to the union and loggers' problems, will continue to support the loggers in their legitimate objectives; he disagreed with the wording of the petition and being an honourable gentleman refused to present it.

MR. POWER: It does not mean in any way that he refuses or has refused to co-operate either with the union or with its membership.

Let me say, Mr. Speaker, and I can read from my response to the union brief sometime ago if you want it, we still as a government and as a department fully believe that the problem of how much pulp goes from Crown limits into the companies is subject of negotiation between the company and the union who represents the loggers.

We understand that we are talking of less than 10 per cent of the full and total wood requirements of the company. There is an agreement in place now between the union and -

SOME HON. MEMBERS:

Oh, oh!

MR. POWER: - Bowater Company in Corner Brook which works to the satisfaction of union members and the company. There is no negotiated agreement between the union and Abitibi-Price. In joint negotiations and discussions that we had when I called in both parties to our offices and we sat down and discussed it, the union and the company appeared to be on an equal footing where they could go out and negotiate a settlement. The company has told us and has told the union that they are willing to sit down at any time in the union negotiating system and negotiate the amount of pulp wood that comes from Crown limits, as used to be in their old agreements.

We firmly believe in our department and in the government that that can work, it has worked before, and that there is no need, as the member for Fogo (Mr. Tulk) keeps saying across the House, to strike a committee. The committee representing the loggers, some of whom are in the gallery, being the Union itself are there. The company has said that they are willing to negotiate. And we just believe, Mr. Speaker, that it is an unnecessary interference

MR. POWER: on behalf of the government to get involved in that process. We will continue to issue permits as we have, and we will continue to work with the company. As in my letter to them, which I will table, we have told them that we will do anything possible to help in negotiating an organizational structure for independents on Crown limits. To this date some persons have not come to us with any kind of impetus to get organized, and we still think that is certainly the prerogative of the union to get involved in the organization of those workers.

Mr. Speaker, in conclusion I can only say that we as a government and a department will continue to work with the union. We have made significant gains in the Province in making the loggers life a lot easier. In co-operation with the union and the companies we will continue to do that. And I can only say, Mr. Speaker, that if any independents care to come to my department and ask for assistance in organizing, I will gladly refer them to the union and they will become represented by one of the best unions in this Province.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): Before I recognize the hon. Leader of the Opposition (Mr. Neary), I would just like to welcome to the gallery Councillor Tessier from Gander and Mayor Regular and Councillor Regular from Ming's Bight.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, first of all I want to congratulate my colleague for presenting this petition on behalf of the 3,600 residents of

MR. NEARY: this Province who feel that conditions in the woods, in the logging operations of this Province are deteriorating because of the policy that is presently being carried out by the Minister of Forest Resources and Lands (Mr. Power). Mr. Speaker, a petition, I suppose, is the most democratic way there is in our society for citizens to express their views and their complaints and their grievances on matters that concern them in this Province. And whether or not a member disagrees with the wording or disagrees with the petition itself, it is incumbent upon that member, it is his duty and his responsibility when he is called upon to serve his constituents and to present petitions. And, Mr. Speaker, we have had occasions in this House when members have tabled -

MR. MARSHALL: A point of order.

MR. SPEAKER (Russell): Order, please! The hon. President of the Council.

MR. MARSHALL: A point of order. The hon. gentleman is obviously playing to the galleries. The hon. gentleman should know full well that nobody can get up in this House and speak on a petition unless one supports it. That is the issue at stake in this particular situation.

MR. SPEAKER: Order, please! I am not sure the hon. member has raised a valid point of order, but I would suggest that the hon. Leader of the Opposition should speak to the petition whether he supports it or not.

MR. NEARY: Mr. Speaker, I am supporting the prayer of the petition and I would hope that all hon. gentlemen on both sides of the House will support this petition, unless they want the logging operation to go back to the pre IWA days. And I am afraid, Mr.

MR. NEARY: Speaker, that is what is going to happen unless the minister is prepared to face up to this problem.

Now the minister just got up in his place and did not say whether or not, Mr. Speaker, by the way, whether he was supporting the petition or whether he was opposed to it. The minister just rambled on for five minutes saying we are willing to co-operate and we are aware of the problem and we are prepared to continue our co-operation with the company and with the union. But in the meantime, Mr. Speaker, while the hon. gentleman is sitting on the fence the situation in the woods is getting worse. The paper companies are taking advantage of the current recession by exploiting the small contractors and the loggers who are forced to go to work for those contractors and the situation, Mr. Speaker, is becoming worse. And the minister can be as pious as he wants and he can sit on the fence, Mr. Speaker, all he wants but the fact of the matter is that as long as he

MR. NEARY: continues to do that then we are going to have people living in tar paper shacks in the woods and sleeping on the ground and so forth and so on. And the hon. gentleman is well aware of the problem because we understand, Mr. Speaker, that the union took the hon. gentleman himself out in the woods to view these conditions, so the hon. gentleman is aware of the conditions. So, Mr. Speaker, we need something more than just to have the hon. gentleman stand in the House and say we are prepared to co-operate. That is no good, what we need is action. And the only way to get action, Mr. Speaker, is to meet the problem head-on. My hon. colleague made an excellent suggestion and one, I am sure, Mr. Speaker, that the union will agree with, and that is to set up an independent committee to study this matter and make recommendations to the department, if the department cannot make up their own minds; if the minister cannot make up his mind what to do about this problem, then to farm it out to an independent committee, get the views of the union and the views of the company and the views of the men who are forced to go to work for less than union wages without any fringe benefits that the members of the union are getting. These fringe benefits and these wages, Mr. Speaker, were fought for over a period of years? It was a tough fight to get these benefits, and now they are gradually being taken away for the simple reason that we are in the middle of a recession, that the company feels that men now will go to work for practically nothing and they do not want fringe benefits. I think, Mr. Speaker, that is a terrible situation and if we

MR. NEARY: do not watch it, I am afraid we are going to go back to what conditions were in the woods back before 1959.

MR. HODDER: It is getting worse, is it not?

MR. NEARY: It is getting worse.  
I would hope that the hon. gentleman would give serious consideration to the prayer of the petition and the recommendation made by my hon. colleague.

ORDERS OF THE DAY

MR. MARSHALL: Motion No. 2, Committee of Supply.

MR. SPEAKER: Motion No.  
It is moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider certain resolutions relating to the imposition of a tax on the income of individuals and the imposition of a tax on the income of corporations.

On motion, that the House resolve itself into a Committee of the Whole on said resolutions, Mr. Speaker, left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Aylward): Order, Please!  
Bill No. 49

MR. CHAIRMAN (Aylward): The hon. the Minister of Finance.

DR. J. COLLINS: Mr. Chairman, as the hon. member opposite points out, what we are doing in actual fact is debating a resolution. And the resolution is quite brief. It says:

"BE IT RESOLVED by the House of Assembly in Legislative Session convened as follows, that it is expedient to bring in a measure to amend the Income Tax Act."

And during the debate on the resolution we will in actual fact also debate the provisions of the bill that will be introduced subsequent to the resolution, presuming that the resolution is passed. So we will deal with the bill in Committee in all its aspects.

Now, Mr. Chairman, this resolution is introduced, and the bill that will flow from it is introduced as a result of the Budget Speech. And the particular point that we are debating at the present time is an increase in the provincial income tax, that is one aspect, and another aspect is an increase in general corporation income tax rate. In regard to the provincial personal income tax, the rate is effectively increased from fifty-eight per cent of the federal tax, it is increased from that to sixty per cent of the federal income tax as of the 1st of July.

Now the wording of the actual bill itself is a bit different than that but it comes out to be the same thing. The actual wording of the bill is that there will be the usual fifty-eight per cent for previous years, and then for this present fiscal year, from the beginning of the fiscal year, the rate will be fifty-nine per cent - right from the beginning of the fiscal year - and then subsequently the rate will be sixty per cent. Now it was done in that way so that it could conform with the federal income tax legislation. In other

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DR. J. COLLINS: words, our agreement with the federal income tax people for collection of our provincial personal income tax is such that they could not bring in the rate that we wished them to bring in ideally as of the 1st of July, they could make changes for the whole fiscal year. So it is done in that way, fifty-nine per cent for this fiscal year, sixty per cent subsequently. But it does come to the same thing whether you charge one per cent for twelve months or two per cent for six months is the same amount of money that the tax payer pays.

DR. COLLINS: Just to give an idea of the amount that a taxpayer would pay, it might be useful just to consider a married taxpayer supporting a wife and two children and earning a total income of \$20,000. Now, his tax for this year, and, of course, this tax, as I mentioned will only effectively apply for half the year, his effective tax increase for this year will be seventeen dollars and seven cents. For a full year, when the effect of 2 per cent applies for a full twelve month period, such as it will in 1983-'84, his taxing will be thirty-four dollars and fourteen cents. So the impact on an individual taxpayer, and, I suppose, you might consider a family of four as reasonably typical, is not very onerous, it is fairly mild.

Now, of course, the more you earn, obviously the more impact it would have. For instance, the same family where the wage earner has a total income of \$50,000, his effective tax this year will be ninety-three dollars, and in the full year, \$186.00. But even at that, probably, it is not an onerous increase.

MR. ROBERTS: Would the minister permit a question, Mr. Chairman?

DR. COLLINS: Surely.

MR. ROBERTS: I am just wondering if the minister has a total of the estimated revenue that will be raised - seventeen dollars from an individual taxpayer and, of course, that is not necessarily multiplied by the number of taxpayers, could he give the Committee, Mr. Chairman, an estimate of the total amount to be raised by each of these two tax increases? because there are two in the resolution, or two in the bill, anyway. Yes, two in the resolution.

DR. COLLINS: Yes, the estimated amount of revenue that would be raised according to the notes I have immediately in front of me, and perhaps the hon. member could point out if need be the two amounts he has in mind there.

MR. ROBERTS: Well, the corporation tax is being raised, and the personal income tax.

DR. COLLINS: Oh, yes, that is right. Well, just taking them in turn, for the personal income tax the amount that will be raised is estimated to be \$6 million.

DR. COLLINS: And then I was going to say a word on corporate income tax, that the amount there is estimated to be just under \$3 million.

MR. ROBERTS: On the corporate.

DR. COLLINS: On the corporate.

As hon. members will recall from the Budget Speech, not only are we increasing the provincial personal income tax, but again I would point out that the amounts of tax that an individual taxpayer would pay are not very onerous, and of course we do also recall, and I have alluded to that already, that the personal income tax mechanism is what is called a progressive mechanism. In other words, it bears least on those least able to pay, and it bears more heavily on those more able to pay because of their total annual income. So in that respect if you have to increase taxes, and I am afraid that the realities of life are that occasionally taxes have to be increased, if you are going to increase taxes, using the progressive personal income tax mechanism is probably one of the fairest - well I suppose it is the fairest that we have been able to devise.

Now turning to the other one though, the general corporation tax will increase from the present 15 per cent of taxable income for the corporation, will increase to 16 per cent. There is a 1 per cent increase there and this increase is deemed to come into effect as of the 1st. of July, 1982. There are certain other provisions in the bill there which indicate that if a company had its year start a different time than January 1st., there is a proration in relation to the number of days of their own year, their own fiscal year, in relation to the government's fiscal year.

DR. COLLINS: I would point out that in terms of this increase it relates to large corporations. It does not relate to small businesses and the vast majority of businesses in this Province fall into the small business category. We use the same definition as the federal government in differentiating between what is a large corporation and what is a small corporation. Most jurisdictions use that particular definition and all I can say on that is the vast majority of businesses in the Province of Newfoundland and Labrador will not see an increase in their corporate income tax because they will fall under the definition of small business.

It might be of interest to hon. members,

DR. COLLINS:

Mr. Chairman, to note where we stand in relationship to other provinces on corporate income tax.

MR. ROBERTS:

are.

They are all lower than we

DR. COLLINS:

Nova Scotia, Manitoba - I should not say they are all lower, actually British Columbia is the same, but Nova Scotia and Manitoba are just 1 per cent lower.

In regard to small business

we do find it necessary to have the largest tax rate in Canada, but it is 12 per cent as opposed to the 16 per cent which will be applied to large corporations.

With those explanations, Mr.

Chairman, I move the adoption of this resolution and the subsequent introduction of a bill such as has been circulated to give effect to these changes.

SOME HON. MEMBERS:

Hear, hear!

AN HON. MEMBER:

A good point.

MR. CHAIRMAN (Aylward):

of Belle Isle.

The hon. member for the Strait

MR. ROBERTS:

Mr. Chairman, the minister and the committee will not be surprised to know that we on this side do not intend to vote for this resolution nor for the bill which will be introduced to implement it, assuming as I do the resolution will carry given the immense majority to the minister's back.

Our reasoning for it, I can state very simply - my friend and colleague, the Leader of the Opposition (Mr. Neary) will doubtless be with us again shortly; he is off giving an interview to one of the media people, Unlike the Premier who is no longer talking to them, the Leader of the Opposition certainly is.

MR. TULK: He broke that last night.

MR. BAIRD: (Inaudible) again.

MR. ROBERTS: My friend from Humber West

(Mr. Baird) has once again erupted from the bowels of wherever he erupts from these days. I am simply stating the facts, Sir, nothing but the facts.

Now, Mr. Chairman, the Leader of the Opposition (Mr. Neary) - as I was about to say before the rude interruptions of the rude gentleman opposite, who did interrupt - will doubtless be able to give chapter and verses to the reasons why we are not prepared to vote for this legislation. They rest with the fact that we do not entirely approve of the use to which the government puts this money. And this bill, if approved, will flog an extra \$9 million out of the taxpayers of this Province. The taxpayers of this Province are already the most heavily burdened in Canada, bar none, there may be one or two who are as heavily taxed as the Newfoundland taxpayer, but none who are more heavily taxed.

And secondly, the capacity to pay in Newfoundland and Labrador is, of course, far below that which pertains elsewhere throughout this country of ours. And that is not something the government are proud of, it is not something we are proud of, it is not something anybody is happy about, but it is a factor which in our view ought to be taken into account.

MR. ROBERTS:

So here we have a case of a government that is on a profligate, spendthrift, wastrel course, as has been documented so often and so very effectively by most of my colleagues here and particularly by the Leader of the Opposition (Mr. Neary), and on the other hand we have them raising, extracting and exacting, an extra \$9 million from the taxpayers of this Province, from taxpayers who, of all the taxpayers in Canada, are least able to bear that exaction, least able to support the extraction.

Now my friend, the Leader of the Opposition, is back and in due course he will be able to give us some more of the shining examples of the way in which this government spends its money and makes it mark with the taxpayers.

I wanted simply to make one or two points about the minister's figures which are funny, although I am sure he did not intend them to be strange. I am perplexed by this \$17 average taxpayer figure, and this is the sort of thing that Finance ministers trot out from time to time.

MR. HODDER:

Fiddle with.

MR. ROBERTS:

Now Finance ministers are an unusual breed, they walk apart from human kind. It does not matter whether they are here or in Ottawa, people pass them on the side of the street, they shun them, their children are pointed out in the schoolyards. And generally when a Finance minister walks into the room there is much whispering behind the hands. And that applies not simply to the hon. gentleman who so graces the office here in Newfoundland today, it applies also to his counterpart, his contemporaries, his colleagues, his confreres, whatever they are, across the country, because it is them against us.

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MR. ROBERTS: We are all taxpayers and they are on the other side with all of us. They are all prone to trot out these marvelous little figures. And the minister has given it as his opinion that - and I have no doubt

MR. ROBERTS: his officials have told him so; the minister is certainly not misleading the House, he is certainly not attempting to deceive in any way - he has told us that the two per cent change in income tax - one per cent of it is to come in this year and the full two per cent to come in next year; it is sixth of a per cent a month and since there is only six months left in this year we are only going to have to pay one full per cent during this calendar year. It is a sixth of a per cent a month, so next year with twelve calendar months in a year, twelve months in the tax year for individuals, we will have to pay a full two per cent and that is what the ministry are doing and for good or bad there it is. And the minister has told us that this year this will be \$17.00. An 'average' taxpayer will contribute \$17.00. And if I heard him correctly he spoke of a taxpayer making \$20,000 a year and supporting a spouse and two children. I think that was the example he gave and it is a fairly typical family situation I suppose and it is a fairly typical example. \$20,000 a year would certainly be above the median income in Newfoundland, well above the per capita income. I have no idea where it stands in the range of taxable income, but it is well above the taxable income or the income - because I suspect the minister was speaking of income and not of taxable income - of the income that most people in Newfoundland have to come and go on.

Now, Mr. Chairman, the minister and his parliamentary secretary are deep in a huddle. Hopefully the parliamentary secretary will educate the minister. It certainly will not be the other way around, I assure Your Honour. Now, Mr. Chairman, let me take it a step further.

MR. ROBERTS: I hope both of them will listen because I hope one of them will respond because I have a most interesting point to make. The minister said it was \$17.00 for an average taxpayer, as he defined the average or the typical taxpayer. He certainly did not say it was \$17.00 an average. Now I would like him to tell us a little more about that because he then went on in response to my question to say that this measure would extract \$6 million from the people of Newfoundland this year. Now if you divide \$17.00 into \$6 million by my careful mathematics you get 353,000, which would indicate that the minister will be extracting on an average - now I realize that he was talking of typical and not necessarily averages, but I am just going to take his figures and try to put them into perspective that 353,000 taxpayers were each going to contribute \$17.00. Now that is sheer nonsense. We do not have 353,000 taxpayers in Newfoundland today. Would to God we did! What have we got? 600,000 people, 580,000 whatever the -

MR. NEARY: 565,000.

MR. ROBERTS: 565,000. It is going down, is not? Tory times! People are voting with their feet and they are leaving the Province. But the total population is about 580,000, Mr. Chairman. Let us assume that half of them

MR. ROBERTS: are children under the age of sixteen or seventeen, that brings us down to under 300,000, And certainly not everybody else pays taxes, because to pay taxes you have got to have some income at least. And I know that with the coming of such marvellous Liberal benefits as the child tax credit and other ways to enable the federal treasury to pour into the hands of individuals, more people are joining the taxpayers rolls so they can get money back as opposed to paying money in. I do not think we have 353,000 taxpayers. What I am saying is for the benefit of the minister, and more importantly the gentlemen and ladies of the press who presumably have carefully scribbled down that this new tax increase is \$17 for the typical Newfoundlander: Well that just is not so. It may well be \$17 for the minister's example; I do not suggest the minister is misleading us, I do not suggest he is trying to deceive us. What I do say is that his example is not an illustrative one, does not give the truth. This particular piece of legislation, Mr. Chairman, if approved, will take \$10 from every single person in the Province today. \$581,000 into \$6 million is near enough to \$10 per person. And so the family of four will contribute \$40, not the \$17 of which the hon. minister speaks.

Now I am using mathematical averages and I want to go on to point out that there are some, such as the hon. the minister - you know, the ministers in this Province today, Mr. Chairman, are making \$100,000 a year and will pay tax on that kind of money this year, or they ought to. If not they have trouble with the tax authorities.

Those people, people at that level of income, will be paying a great deal more than \$17 each. But I want to knock on the head this Finance Minister's figure of \$17,

MR. ROBERTS: it is this minister's figure in this debate, but of course Finance ministers everywhere are prone to it and as I say that is why people shun them, that is why people walk on the other side of the street when they see a minister of finance coming and of course this Minister of Finance (Dr. Collins) is no better and no worse than all of those who have honoured that position over the years.

The other point I wanted to make, Mr. Chairman, before I let some of my other colleagues have at the minister on this one, because of course we only debate it here in Committee, we can speak over and over again, I do not think we have a seventy-five hour rule, do we? The hon. gentlemen opposite have not as yet used their majority to limit debate here. They probably will. They probably will. But as yet they have not so we can debate this as long as we want -

MR. CARTER:

The longer the better.

MR. ROBERTS: Mr. Chairman, my friend from St. John's North (Mr. Carter) who, you know, has reached a niche in life, his niche in life that he is a tormentor -

MR. CARTER: Nitch.

MR. ROBERTS: Nitch? The hon. gentleman may think it is nitch, I think it is niche or nicht, which means 'nothing', which might perhaps suit the hon. gentleman. But what I am saying is he has arrived at the point now where his only ambition is to try to irritate me. Well, he does not irritate me, he does annoy me and, Sir, the difference between irritation and annoyance is like the difference between catastrophe and disaster. If the hon. gentleman from St. John's North were to fall into the St. John's harbour that would be a disaster, Sir, but if someone were to pull him out that would be a catastrophe.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: And that is the difference between annoyance and irritation.

Now, let me carry on without the benefit of not even the half blank comments of the hon. gentleman from St. John's North, not even the infinite percentile blank comments of the hon. gentleman. Let me simply come to a point about the \$3 million which corporations are going to pay. I am the first to say that the corporations ought to pay their share of the freight. But we have to go on in recognizing that principle - and I am sure that the minister will agree with this in philosophy, he may not agree in application - we have to realize that it is Cape St. Mary's that pays for all, to mix the metaphor, and if we want to

MR. ROBERTS: have a vibrant free enterprise society, if we want to fatten the goose that lays the golden egg, using the corporation as being the goose and the golden egg as being the taxes, then we are going to have to look carefully at the fact that we have the highest corporate tax rate in Canada. There may be another province or two that equals us. I have not attempted to keep track and I have not bothered looking it up for this particular debate at this time - easily available, but we are taxing corporations very heavily. And I will say, Mr. Chairman, that the minister and his colleagues are going to have to look at that. I wonder whether perhaps we are at the point of diminishing returns. Individuals, Sir, have little mobility in that sense of the word. Your Honour is a land surveyor when Your Honour is not surveying from the Table and from the Chair of the House. Your Honour's mobility is limited. So if the personal tax goes up, Your Honour can only mutter and then, when the election comes, do the appropriate thing, whatever that is. But a corporation, Sir, is mobile. And one of the reasons, I suggest, why we are seeing a dearth, a pronounced dearth of economic activity in this Province, a pronounced lack of entrepreneurship, is the fact our corporate tax rates are so very high. I know that

MR. ROBERTS:

there is a small business rate, because , of course, our rules are precisely the same as those of the federal government. That is as the minister said. Because the federal government collects taxes for it. They do it for every province except Alberta, Ontario, and Quebec. There are three provinces that are wealthy enough or large enough to have their own corporate tax collection systems. But we, Sir, simply hire Ottawa, I do not know if they charged us very much or anything, but they do collect this tax under the authority of the legislation which this House has enacted and in now being asked to amend.

So I simply say to the minister as a point of practicality, while the corporations must carry their share of the load, we are coming to the point where entrepreneurs are shunning Newfoundland and Labrador, deliberately turning away, part of it is the attitude of the government of which he is a part, but part of it as well is the tax levels of which bill forms a part. It applies to corporate taxes, it applies to personal taxes too. We talk of the oil companies coming in, we talk of people coming here, we talk of our own Newfoundlanders taking advantage of it; a Newfoundlander gets his training and he can leave here then and go to another province, What is Alberta - half our tax rate? Actually it is not , it is thirty-two against sixty. It is near enough to half.

You know, that is something we have got to take into account. I know the government need revenue, and I know that we can only tax what there is to be taxed. But at the same time, Mr. Chairman, we have got to realize that if we kill the goose that lays the golden egg there will not be any more eggs, scrambled or otherwise.

Now I will let my colleagues carry on, The Leader of the Opposition (Mr. Neary) has returned

MR. ROBERTS: refreshed, armed for the fray; my friend for Port au Port (Mr. Modder) has a few thousand cogent words that he will address to the minister in an effort to help the minister, and generally if we move smartly along by about Friday at noon we should be ready to consider putting part of this resolution to the vote, That is before the amendments come, of course.

So, Mr. Chairman, let me just say that, first of all, the minister's figures are funny - they are not incorrect, they are not -

MR. BARRETT: (Inaudible).

MR. ROBERTS: I am sorry? The hon. Parliamentary Secret speaks again.

Now, Mr. Chairman, let me say the minister's figure are funny because they do not show a true picture. They are like the mirror in the crazy house that when you stand in front of it it shows a distorted picture and that is what the minister's figures show.

This bill, this tax will cost Newfoundlanders a great deal more than \$17 for a family of four; on a mathematical average it will cost \$40 for a family of four, taxpayers will end up paying far more than the \$17 figure which the minister spoke of.

MR. ROBERTS: And more importantly, Sir, I think we have got to have a long hard look at how our money is spent. Our main objective to this resolution is that the bill itself seeks authority to raise money for the government to spend and we do not think they are spending money wisely, and so we are going to oppose them abstracting even more from the taxpayers of the Province.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, the hon. member opposite raised a number of points. I think the first subject he got into was the undesirability of raising taxes and that he did not feel that he could support this bill because of the way that this government uses the taxes raised. Well, now the hon. member is not here to hear my response to the points he raised but nevertheless I will give them anyway. And I could say this, that if the federal government had not changed the Fiscal Arrangements Act - as was their right this year, they did change it; they have a right to negotiate changes every five years and that is what they did this year, so I am not quibbling with their right - but if they had not changed it the way they did, we would not have had to bring in the tax changes we did bring in. Because the tax changes we brought in in fact almost exactly offset the decreases in provincial revenues that resulted from the change in the Fiscal Arrangements Act, which as I say was negotiated by the federal government. I am not say that the federal government is responsible for our taxation levels, All I am saying is that the changes in our taxation this year were the result of the changes that flowed out of the new Fiscal Arrangements Act. We had to find, unless we wanted

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DR. COLLINS: to decrease essential services -  
and we felt that we could not cut back on health care  
services, we could not cut back on post -

DR. COLLINS:

secondary education services and certain other services that are funded by the fiscal arrangement mechanism. We felt we could not cut back on those - so if we did not want the cut back on them we had to find some means of picking up the slack that was left by the fiscal arrangement changes. And unfortunately the only way we could pick it up was through the taxation mechanism, and this particular way of doing it is part of the taxation mechanism.

Now the other thing - I am glad to see the hon. member is still within earshot there - he says that finance ministers are shunned. I do not know if that is true or not, but I think there are a few points to be said. Firstly, the hon. member holds the Liberal Party philosophy, and I quite agree with him that Liberal Finance Ministers tend to be shunned.

MR. BARRETT:

Hear, hear.

DR. COLLINS:

I fully agree with him in that respect. He is familiar with Liberal Finance Ministers so that I do not wonder that he tends to think that Finance Ministers are shunned because of that perception of Finance Ministers. But, however, I think there is another bit of evidence that he might consider, that the voters in St. John's did not shun this Finance Minister, the provincial Progressive Conservative Finance Minister.

MR. BARRETT:

Hear, hear.

DR. COLLINS:

As a matter of fact, the good folk in St. John's South not only did not shun this Finance Minister, they gave him an overwhelming vote of confidence, for which I am duly grateful.

SOME HON. MEMBERS:

Hear, hear.

DR. COLLINS:

So I think that the hon. member should consider these points when he makes such a statement.

Now the other point that the hon. member got into was with certain mathematical machinations

DR. COLLINS:                    there and he tried to show that because I said a married taxpayer supporting his spouse and two children would pay this year \$17.07 more than paid last year on personal income tax , that the figures were funny. I do not see he said they were wrong, he was careful to say they were not wrong, he said they were funny. And, of course, the only funny thing is that he figured a funny way. No one says that \$17.07 is the average amount that the taxpayers of this

DR. J. COLLINS:

Province will pay. I just gave an example, I did not claim it was an average, I just said that this was a somewhat typical family grouping and I wanted to show what such a typical family grouping would pay. So it was the funny way the hon. member opposite came up with his point, which was not a valid point, that led him to think that our calculations were funny. In actual fact our calculations were based on information given to us by the federal government, which, as the hon. member opposite rightly said, collects our income tax for us. It is an arrangement we have with the federal government that they in actual fact collect our personal income tax and remit it to us and that is part of the Confederation deal.

Now the final point that the hon. member made was that corporations are shunning this Province because of our tax levels. I am sure that companies would wish our tax levels were less, I am sure that individuals would wish that our tax levels were less, but I do not think there is any evidence that at the present time that our tax levels are causing companies who would ordinarily come here, not to come here. I think we have to remember that most companies operating in this Province are doing one of two things; they are either operating on the basis of our natural resources, or they are attracted by the consumer market here. In other words, we are not an exporter of manufactured goods or whatever like that, so that people would not tend to set up business here for the export of manufactured goods. They set up here to process our natural resources and to service our consumer market. And I do not think our tax rates in any way are diminishing the services we get from companies in processing our natural resources or in serving our consumer markets. As a matter of fact, in terms of consumer markets, there is a considerable

DR. J. COLLINS: amount of competition to the local entrepreneurs from entrepreneurs outside the Province and we see this about us every day of the week in terms of supermarkets as opposed to the corner grocery store and so on and so forth.

MR. BARRETT: Good answer.

DR. COLLINS: So my colleague behind me says I am giving extremely good answers and I am grateful for his support and with that sort of support I hope that this resolution and this bill will pass shortly.

AN HON. MEMBER: Hear, hear!

MR. S. NEARY: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the Leader of the Opposition.

MR. NEARY: The Minister of Finance (Dr. J. Collins) must have misunderstood my colleague. It was not shun that he meant at all. You have to substitute the 'h' for a 't', it was stunned that he was talking about, Mr. Chairman. And the hon. gentleman who is seated behind the minister, looking up at him with his mouth open, wild-eyed, said that the hon. gentleman is giving good answers. Well one of the answers that the Minister of Finance gave was completely untrue.

MR. NEARY: The hon. gentleman took the cowardly way out again and blamed Ottawa for the increase in income tax in this Province by saying that because of the rearranging of fiscal matters concerning this Province that they had to whack on an additional tax to recover the money that they were short-changed. Well, Mr. Chairman, I have here in front of me a table that was prepared by the Department of Finance, March 1982, and it forecast the amount of money that this Province would receive from Ottawa from this year up to 1986/87, from 1982/83, in that fiscal year, up to the fiscal 1986/87 and, Mr. Chairman, I want hon. members to listen to this, to listen to it to see and just compare it to the statement just made by the Minister of Finance (Dr. Collins) that we are going to lose money as a result of the new fiscal arrangement. That is what the hon. gentleman said.

MR. SIMMS: True.

MR. NEARY: And the member for Grand Falls (Mr. Simms) says we are.

MR. SIMMS: Under the old system.

MR. NEARY: Mr. Chairman, whether we are under the old system or the new system we are going to get more money from Ottawa than we did last year.

MR. SIMMS: But not more than we would have got under the old system.

MR. NEARY: Oh, I see. That is the complaint, not more than we would have gotten. I see. Well let us see what we are going to get.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Well let us see what we are going to get, Mr. Speaker. Last year in equalization payment the Province received approximately \$431 million. Now what will we receive this year? The hon. member for Grand Falls (Mr. Simms) who says that the Minister of Finance (Dr. Collins) is giving good answers, well could the hon. gentleman hazard a guess?

MR. SIMMS: You have the sheet.

MR. NEARY: I certainly have got the sheet and it contradicts the statement made by the Minister of Finance (Dr. Collins). It says this year we will receive in equalization payments approximately \$522 million, \$522 million compared to \$431 million last year.

MR. SIMMS: Now, what would we have received under the old system is we were paid the same way? Do you have that figure?

MR. NEARY: Mr. Chairman, let us see what we are going to receive in Established Funding Programmes.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: In Established Funding Programmes we received last year \$165 million and this year we will receive \$5 million less, \$160 million. Okay. Now, in the Established Funding Programmes tax transfers, last year we received \$56 million and this year we will receive \$65 million.

MR. SIMMS: We would have received \$70 million.

MR. NEARY: No, we would not have received -  
SOME HON. MEMBERS: Yes.

MR. NEARY: Mr. Chairman, there was no guarantee that we would have received anything until it was put into the constitution. Now it is a part of the constitution of Canada.

MR. BARRETT: Thanks to Premier Peckford.

MR. NEARY: Thanks to the Liberal Government in Ottawa. Prior to that, Mr. Chairman, there was no guarantee that we would receive anything, there was no guarantee. And Mr. Diefenbaker and the Tories proved that back in 1959 with term 29 when they altered the equalization payments to this Province. But now, thanks to the Liberals, it is enshrined in the constitution.

MR. SIMMS: Hear, hear for the Liberals.

MR. TULK: What did you have for breakfast?

MR. NEARY: So, Mr. Chairman, we are going to get \$9 million more in tax transfers. And we are going to get another \$7 million that we did not get last year and it is called - listen to this, Mr. Chairman, just listen to this - Provincial Tax Collection Change, \$7 million. We did not get that last year. Net Revenue Increase Due To Budget Tax Changes \$6 million, and \$1 million, another \$7 million that we did not get last year. So, Mr. Chairman, in actual fact what are we going to get in payments of various kinds from the Government of Canada in the Current fiscal year is roughly \$800 million compared, last year, to \$652 million. Close to \$800 million of revenue will come into this Province from the Government of Canada as a result of equalization and transfer payments of one kind of another, and tax adjustments and amounts to offset other transfers.

So, Mr. Chairman, we are going to receive

MR. NEARY: around \$800 million. Next year, 1983/84, we will get \$847 million; 1984/85 we will get \$945 million; 1985/86 we will get \$1 billion from the Government of Canada. In 1986/87 we will be getting \$1,172,000,000 from the Government of Canada.

Mr. Chairman, in a five year period, between five and six years, here is what we will get in this Province from the Government of Canada. We will get \$4,774,000,000. Why that is better than oil, \$4,774,000,000 from the Government of Canada in the next five or six years.

Mr. Chairman, if we were producing oil, which we are not and we will not be for the next fifteen to twenty years, during the twenty year, estimated life span of Hibernia, not one of these years will the revenue coming to this Province equal what we are going to get from the Government of Canada, not one out of the twenty years. We will be a have not province for the twenty years.

Mr. Chairman, if Hibernia was producing, and it will not be for the next twenty years or so, if it was producing- the estimated life of Hibernia is twenty years- during that twenty year period, based on the figures I have in front of me, not one out of the twenty years will we be considered to be a have Province. The definition of a have province being that we would get no equalization grants from the Government of Canada, from Ottawa, Under the formula worked out between the provincial and federal governments.

MR. TOBIN: It is not worked out yet.

MR. NEARY: What formula is the hon. gentleman talking about? Owing the resource?

AN HON. MEMBER: No.

MR. NEARY: Yes, Mr. Chairman, owing the resource, charging world prices per barrel of oil. The hon. gentleman should go down to the Petroleum Directorate, dig out

MR. NEARY:

the figures and then the hon. gentleman will get the shock of his life, that not one out of the twenty years will we be considered as a have Province. Now if we had two oil fields, two like Hibernia, possibly in the twenty year period we could make money, we would reach the break even point.

Mr. Chairman, so the statement made by the hon. gentleman is incorrect, it is false, it is untrue.

AN HON. MEMBER:

No it is not.

MR. NEARY:

It is completely untrue. Up to the time the Constitution was brought back to Canada there was no guarantee that we would receive one cent from Ottawa. Thanks to Mr. Trudeau and the Liberal Government it is now enshrined and entrenched forever in the Constitution for the first time in our history.

MR. TOBIN:

You are digging the hole down deeper boy.

MR. NEARY:

Digging a hole deeper for what?

SOME HON. MEMBERS:

Oh, oh.

MR. CHAIRMAN (McNicholas):

Order, please!

The hon. member's time has elapsed.

MR. NEARY:

Well, we will get back at it again.

But, Mr. Chairman, I would like to lay this document on the table of the House in case the news media want access to it to see the fallacy in the minister's statements, misleading statements that he has been making about this matter.

MR. CHAIRMAN:

Order, please!

Before recognizing the hon.

Minister of Finance (Dr. Collins) I would like to draw the attention of the Committee to a ruling I made the last sitting day. On looking into it, I was in error. This was about exhibiting objects. In Beauchesne, page 117, paragraph 333, it clearly states that it is not in order to produce exhibits of any sort in the Chamber. There was

MR. CHAIRMAN (McNICHOLAS): a precedent set in 1972 in this House when a member of the Opposition produced a codfish, and there was a further precedent set by a member of the government side who produced a polluted sample of water. So I think I will ask that the salad dressing be returned to the hon. member for Torngat Mountains ( Mr. Warren).

MR. NEARY: Probably would be different, Mr. Chairman, if it stank, or created a stink all over the Chamber.

MR. CHAIRMAN: I did not open the 1979 bottle of salad dressing to check it. The hon. the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: Mr. Chairman, I was unavoidably out of the House on Friday morning and I seem to have missed something, there were exhibitions going on, or objects were being passed around or whatever.

MR. SIMMS: Objects being exhibited.

DR. COLLINS: Mr. Chairman, I do not know if it is really going to do any good to respond to the hon. member on the line of argument he was taking. First of all he made a statement saying that I made a certain statement,

DR. COLLINS: but his statement about the statement I made was incorrect. I did not say we would get less money, but the burden of my message -

MR. NEARY: Oh! So now you are changing your tune.

DR. COLLINS: I am not changing my tune, I am just correcting a misrepresentation that the hon. member has made of the remarks I made. What I was saying was that if the fiscal arrangements had not been changed, we would have been able to exhibit the essential services funded by the transfers under that act without bringing in new taxation measures. But because the Fiscal Arrangements Act was changed the way it was, there was going to be a short-fall in our revenues and we had a choice available to us, we could either make up for the short-fall, which is what we did by bringing in the two taxation measures, or we could have left the short-fall there but diminish essential services. And we made the choice that we could not diminish essential services, so to make up for that short-fall we brought in taxation measures.

Now, at no point in time did I say that there would be an actual decrease in monies transferred, although, as the hon. member himself pointed out, in one respect there was an actual decrease under EPF, Established Programme Financing, there was an actual decrease of \$5 million in the amount transferred over that particular part of the fiscal arrangements.

And, of course, when you bring in the inflationary factor, there was a greater drop than that, because a dollar in '82-'83 is not the same value of a dollar in '81-'82. So rather than having a decrease under EPF we should have had an increase just to stay where we were. And we did not have that increase to stay where we were, we had the reverse, we had an actual decrease.

DR. COLLINS: The only other point I would like to point out is this, that I think it gives a very wrong impression if people say governments give things. Governments do not give things. The provincial government does not give things. The provincial government has no money of its own, the federal government has no money of its own, no government has any money of its own. What governments do is make available to various parts of the community on some sort of priority basis monies that they collect from citizens. So to say that the federal government gives Newfoundland money would be like saying the Newfoundland Government gives widows money. We do not give widows monies, we collect taxes from citizens and we give those to widows. It is no particular credit to us except that I hope we do it reasonably efficiently, and reasonably sensitively. And, I think, in the same way the federal government

DR. COLLINS: does not give Newfoundland any money, it collects monies from Canadian citizens, and gives it under some set of priorities and that applies to Newfoundland too.

The other point that I think is worth remembering is that we are by no means, by no means, the only Province that gets transfers from the federal government. As a matter of fact, all provinces do. Even Alberta gets transfers from the federal government under EPF. It does not under equalization, but it does get it under EPF. And many other provinces get just about the same level of total transfers we do on a per capita basis, so that we have nothing to apologize for in terms of transfers we accept through the medium of the federal government from the citizens of Canada.

So on the basis of those remarks, Mr. Chairman, I again move the adoption of this resolution and request that a bill subsequent thereto be put to a vote in the House.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, without amendment, carried.

MR. MARSHALL: Motion 3, Bill No. 48.

DR. COLLINS: Mr. Chairman.

MR. CHAIRMAN (Dr. McNicholas): The hon. the  
Minister of Finance.

DR. COLLINS: Mr. Chairman, just a very brief word on this just to ensure that hon. members of the Committee do have a full appreciation of the resolution and the bill. There are two points to it, one is that there is going to be an increased tax rate on tobacco and tobacco products; I think that was stated in the Budget Speech and I am sure that hon. members realize that that is the objective, or it is one of the objectives of bringing in the thing. But there is another objective too and I do not want to be in any way, thought to be misleading the House on this. There is a change also for administrative purposes. Let me put it this way: Up to the present time, the Tobacco Tax Act contained a range, a narrow range of taxes, and the actual tax was set by regulation by the Lieutenant-Governor in Council, by Cabinet, and that necessitated, you know, frequent amendments to the regulations because, of course, the tax is an ad valorem one and as the base cost of cigarettes went up, well, then we had to change the tax on an ad valorem basis so that that was rather administratively clumsy. We had to continually change our regulation and we had to bring it before Cabinet. And quite often, as the law states, a tax was due, but Cabinet may not be sitting at that particular time and there could be some delay in actually bringing in the implementation of the tax law. So there is another change this time, and that is that the actual rate of taxation is now written into the bill, still an ad valorem tax rate,

DR. COLLINS: but it is actually written into the bill, it states a certain number; and secondly, that is now brought in as need be, as the base cost of cigarettes and tobacco changes, is brought in under the authority of the Minister of Finance.

DR. J. COLLINS: There is no need for anyone to make a decision and therefore go to Cabinet, it is written into the act and therefore it is just a case of the Minister of Finance (Dr. J. Collins) giving the permission, shall we say, for that to be implemented when the cost of a cigarette or an ounce of tobacco or whatever changes in the marketplace.

So those are the two things: The bill brings in the new tax rate, but it also clears up that administrative difficulty.

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN (MCNICHOLAS): The hon. the Leader of the Opposition.

MR. NEARY: I am not quite sure if I clearly understood the hon. gentleman or not, so I am going to give my version of what the hon. gentleman said, or what I thought he said, to see if I am right or wrong.

Is the hon. gentleman saying that from now on it will not be necessary to come to the legislature for an increase in the tobacco tax, that the authority for increasing the tobacco tax will rest with the Minister of Finance.

DR. COLLINS: No.

MR. NEARY: That is not what the hon. gentleman said?

DR. COLLINS: No.

MR. NEARY: I hope not. Because that would be a very, very dangerous situation indeed.

DR. COLLINS: No, it is not.

MR. NEARY: Well, perhaps the hon. gentleman can straighten me out. What is it the hon. gentleman is saying then? The hon. gentleman did not make himself clear.

And while the hon. minister is on his feet, could he also tell the House how much, what is the total amount of taxes on tobacco that is outstanding at the present time? I do not know if the hon. gentleman has the figure

MR. S. NEARY: with him, but a couple of years ago the Auditor General mentioned a figure that was staggering. The outstanding tobacco tax owing to the Newfoundland Government was staggering, Mr. Chairman. I do not remember the exact amount, but it was up in the millions of dollars. Has that been reduced? And how much is the tobacco tax in arrears at the present time? If the hon. gentleman does not have the figures with him, could the hon. minister send and get the figures? Because we would be interested in knowing these figures before we approve any further increases. There is no point in increasing the tax on cigarettes and tobacco if the government is not going to collect the tax. What problems, Mr. Chairman, is the Department of Finance encountering in collecting this tax? I understand that some of the taxes outstanding are now uncollectable because the brokerage firms and the businesses have gone bankrupt. So what will happen in a case like that, will they be written off? Will the government try to recover the tax from the estate or from the receivers, or will the amounts just be written off? I understand that one large amount was owed by a St. John's brokerage firm. So I will be interested, Mr. Chairman, before we vote on this bill, in finding out just what the situation is now regarding tobacco and cigarette taxes in arrears.

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, I am not in a position to give the dollar amount of taxes outstanding. Let me say this though, that taxes outstanding can be broken into two large groups. One, taxes outstanding are of a very current nature. In other words, there has to be a certain point in time when a tax is due and, of course, the tax is due every month in terms of tobacco tax, retail sales tax and those types of taxes, and even though it is due as of that time, it takes a certain period of time before the actual money comes in. So during that brief period of time that tax is outstanding, and the amounts outstanding can be quite large in that case. For instance, returns are supposed to be in the 20th. of each month. But the tax is outstanding, really, from the point of sale of the item, and an item could be sold twenty-nine days before the next 20th. of the month comes around, and that is current outstanding taxes, and it can be a large amount.

Now in addition to that there are amounts that are outstanding, you know, for a much longer period because tax has not been remitted at the earliest opportunity. In terms of tobacco tax that is a very small amount in the vast majority of cases, because the distributors of tobacco products in this Province act as agents for the provincial government in that regard, and they remit their taxes very currently. It is unusual for them to fall behind more than one month.

Now, there may be an instance, and I am not aware of it if this is so, but I will certainly get the information, there may be an instance whereby a distributor goes bankrupt and, of course, that will upset the normal

DR. COLLINS:

remission of taxes. I am not

aware -

MR. NEARY:

There was one case where \$100,000 was outstanding for a period of five or six years.

DR. COLLINS:

Well, not at the present time.

I would highly doubt that. I am not aware that one of the five tobacco tax, there are only about five, one of the five tobacco product tax distributors has gone bankrupt in this Province. And I do know that these particular five remit their taxes on a very current basis. So I do not think, but I will get the figures to be sure about this, I do not think there is any significant amount of tax owing on other than a current basis, and it would be expected that there would be a tax owing on a current basis.

Now getting back to the other point, the hon. member asked if this bill will in some way interfere with this House setting a tobacco tax.

DR. COLLINS:

It will not do that.

This House sets an ad valorem tax, that is, a proportion of the selling price will be the tax rate, and that cannot be changed. That proportion, whether it is 5 per cent or 2 per cent or whatever it is, cannot be changed by anyone until this House gives its permission to do so. What can change is that if the base cost of tobacco products change -

MR. NEARY:

What we are doing is the

same thing we did with the gasoline -

DR. COLLINS:

Essentially, yes.

MR. NEARY:

- putting it on a percentage

basis.

DR. COLLINS:

Putting it on the percentage

basis.

MR. NEARY:

Well, that is the same thing

as removing it from the House.

DR. COLLINS:

Well, it is not the same thing

as removing it from the House, because the House says that if a product is sold, a certain proportion of that selling price will be tax. So if the product is sold for fifty cents and there is a 10 per cent tax on it, the tax will be five cents. If a product is sold for a dollar and there is still the same 10 per cent tax on it, the tax collected will be ten cents. So the House knows what it is doing when it brings in the percentage type of ad valorem tax. And that can only be changed by the House. The only thing that has to be done administratively is that someone has to say the base price of the product has changed and someone says, 'All right, collect a certain amount of money now from the sale of that product that fits in with the proportionate tax that the House has set,

DR. COLLINS: and that is what the Minister of Finance will do now rather than Cabinet. It is just an administrative measure. I think that answers the points raised.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, without amendment, carried.

MR. MARSHALL: Motion 5, Bill No. 47.

DR. COLLINS: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the Minister of Finance.

DR. COLLINS: Mr. Speaker, this is referred to as the Loan bill or the Loan Act, and what this act does is it places an upper limit on the amount which the Province may borrow through the issuance of securities, bonds and so on - not only bonds but various securities.

DR. COLLINS: I think it is important to remember that this Loan Act refers to loans, through the sale of bonds and other mechanisms that the Province raises from the various capital markets. This particular bill does not refer, for instance, to the monies that we raise from the Canada Pension Plan, nor through treasury bills. We issue treasury bills every week and we raise funds through that mechanism. This bill does not refer to that, it just refers to monies we raise from the various capital markets.

Similarly, this bill does not refer to monies that we raise in regard to outstanding bonds which are retired or refunded, we can borrow under another authority for roll-overs, as they are called. So this is just new borrowings that we are seeking authority for.

Now, when we seek authority we do not necessarily borrow the full amount that the authority gives us. The authority is usually somewhat larger than the actual amount we intend to borrow, the new borrowings we intend to get into. It is usually somewhat larger and that has been typically the case. And there are a number of reasons for that: Firstly, there may be favourable market opportunities that come up through the fiscal year, and it is in the Province's best interest for us to have the flexibility to go ahead and borrow at any time and in any amount.

Secondly, it may be desirable to actually preborrow. In other words, in a particular year to borrow in anticipation of the requirements for the following year, and that is especially important at this time when interest rates are extremely variable. And if one gets information that interest rates are going to go up, and we get this information on good authority, early next year, and we know that early next year we are going to need to

DR. COLLINS: borrow funds, well, it would be in the best interest of the Province for us to borrow this year for early next year if interest rates are lower.

Finally, of course, the Loan Bill permits us to borrow in round numbers. We borrow, say, in \$50 million, \$75 million and \$100 million amounts, we do not borrow \$37 million or \$42.5 million or whatever. So there is a certain amount of rounding out there.

Now, the amount requested in this year's Loan Bill is \$220 million and perhaps I could give the Committee some information as to how that sum was arrived at.

DR. COLLINS: In the Budget itself the total requirements were laid out to be \$336 million, that is the total requirement that the Province has for borrowings this year. As I mentioned, this Loan Bill does not have to extend to borrowings that we get under the Canada Pension Plan. We will get \$55 million this year, that is the amount allocated to us. Under the collections that the Canada Pension Plan will receive, that is the amount that can be loaned back to us, \$55 million, so that leaves a net amount of borrowing from the capital markets of \$281 million. Now again, as I mentioned, we already have authority to borrow for roll - overs and for sinking funds related to outstanding securities -

MR. NEARY: Where did you get that from?

DR. COLLINS: That is under previous acts. We do not have to renew that borrowing authority, and the Financial Administration Act permits us to do that. Those amounts, that is for redemptions and sinking funds, come to \$168 million. So the new borrowings, exclusive of what we get under the Canada Pensions and what we need for roll-overs and so on, come down to be \$113 million. Now, that is in Canadian funds. We have put into this bill an additional \$107 million, Canadian, bringing it up to \$220 million and we have done that so that at the end of the year - we estimate from the information we have that it will be desirable, very likely, that we borrow additional funds next February for the following fiscal year. And so that extra amount of \$107 million, Canadian, will permit us to borrow an extra \$75 million, U.S., next February. So it gives us that amount of flexibility. Now it may well be that we will not float an issue at that time because circumstances will change, but as we see it at the present time, it would not be in the best interest of the Province if we had no flexibility to pre-borrow a bit at the end of this fiscal year for the beginning of the next fiscal year when the anticipation is that interest rates

DR. COLLINS: will be higher.

Mr. Chairman, this is not the largest amount that was borrowed by the Province. The largest amount in a Loan Bill - in 1975 there was a larger Loan Bill.

MR. NEARY: How much?

DR. COLLINS: In 1975 it was \$225 million.

MR. NEARY: We are talking about \$ 336 million here?

DR. COLLINS: No, that was in the Loan Bill.

The \$336 million is not in the Loan Bill.

MR. NEARY: \$336 million is the total borrowing for the Province for this year. That is a record.

DR. COLLINS: That is not in the Loan Bill.

MR. NEARY: No, but that is a record for this Province.

DR. COLLINS: I do not think that it is, Mr. Chairman, I do not have that figure here with me -

MR. NEARY: Well, I am saying it is because it is.

DR. COLLINS: The amounts that we have pre-borrowed in the past - we have pre-borrowed in 1975, for instance,

DR. J. COLLINS: and it was desirable to have that flexibility available in 1975 because it was really in the best interest of the Province. And that is the reason why we have that extra amount in this time, that we anticipate - in other words, we would be neglectful -

MR. NEARY: How much are we talking about?

DR. COLLINS: In the Loan Bill?

MR. NEARY: For preborrowing.

DR. COLLINS: Preborrowing? We are allowing ourselves a flexibility of \$75 million U.S.

MR. NEARY: That is scandalous, absolutely scandalous.

DR. COLLINS: That is an explanation I wish to give to the House to ensure that the Committee and hon. members understood why this particular size is there for the Loan Bill. And if we did not, from the information that we have, allow ourselves that flexibility, we would be neglectful and we would not be serving the best interest of the Province.

MR. CHAIRMAN (Aylward): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, either the hon. gentleman is naive or he thinks the Opposition and the people of this Province are stupid and naive. The actual fact of the matter is, Mr. Chairman, that this Province is borrowing at a record rate in this fiscal year. The Province is borrowing \$360 million. And the hon. gentleman can get up all he wants and say that the Loan Bill is not the largest ever brought into this House, it is only \$220 million, the second largest ever brought before the Legislature of this Province.

MR. NEARY: The fact of the matter is that the Province is borrowing \$336 million, and that is an all time record for this Province. The Province is borrowing around \$600 for every man, woman and child living in this Province at the present time, \$600. They are increasing the public debt by \$336 million. Now, Mr. Chairman, the frightening part of the minister's explanation is the fact that there is \$75 million included in this amount for what he calls preborrowing. In other words, what the minister is saying, he is asking the House to give him authority now to borrow \$75 million for next year. Why does not the hon. gentleman wait until the House opens again?

DR. COLLINS: When, in the Fall?

MR. NEARY: In the Fall or in the Spring, and ask the House for a bill, pass a bill to borrow for next year. Mr. Chairman, it is unheard of. Not only is the minister asking the House to approve borrowing for this fiscal year, but he is also asking us to approve borrowing for the next fiscal year, not even here yet.

MR. NEARY: And there is no guarantee, by the way, the minister gave us no assurance that this \$75 million that he is talking about borrowing, preborrowing for the fiscal year 1983-1984, there is no guarantee that that money will not be spent in this fiscal year. The hon. gentleman should immediately deduct that amount from the \$226 million. It is unnecessary. There is no need of having it in there.

MR. MARSHALL: Seventy-five what?

MR. NEARY: Seventy-five million dollars.

MR. MARSHALL: You have to have something there.

MR. NEARY: For what? For preborrowing for next year?

MR. MARSHALL: You know we are going to borrow more than \$75 million.

MR. NEARY: Mr. Chairman, the House should not give the minister approval to borrow one cent for the next fiscal year. We are dealing now with the current fiscal year. That is all we are concerned with. That is all the House should concern itself with, not give the government, the administration, the authority to borrow \$75 million for next year.

Mr. Chairman, this is a new financial policy that the administration has embarked on now. They may have done it once before. I think the hon. gentleman indicated in 1975 they may have done it. I do not recall ever, ever approving a Loan Bill in this House that gave the government, any government previous to this administration, the authority to borrow money for another fiscal year, for a different fiscal year other than the one we are dealing with. Mr. Chairman, I am very concerned about this and I am sure that anybody who follows the parliamentary process would be very concerned. I do not know if it is legal. I am not sure if it is constitutional. Mr. Chairman, I would like to get an opinion as to whether this

MR. NEARY: is constitutional, for the Minister of Finance (Dr. Collins) to ask for borrowing for two fiscal years. Maybe you could get away with it if you were making it retroactive, but the hon. gentleman is projecting himself into the next fiscal year. And I am not sure, Mr. Chairman, something tells me that that is not right, it is not legal, it is unconstitutional.

MR. CALLAN: Tell them what they did with the Budget last year.

MR. NEARY: But, of course, that is true as my hon. colleague to my left pointed out, after what they did last year, in the last fiscal year, spent taxpayer money without the authority of this House and then brought in a bill asking us to legalize an illegal act on the part of the administration. Well, then after that, Mr. Chairman, I suppose you can expect anything from this administration.

MR. NEARY: I am amazed, Mr. Chairman, I am amazed that the present Government House Leader (Mr. Marshall) who used to stand on this side of the House and criticize the former, former administration for stripping the House of its authorities, for taking away from the House the right to make decisions on financial matters and moving them down to the eighth floor of the Confederation Building. The hon. gentleman was very concerned about that. But I have not heard a peep out of the hon. gentleman since he moved over with the other crowd to form the Government of this Province.

Mr. Chairman, we are seeing all kinds of peculiar policies in connection with the running of the finances of this Province, emerging from this administration. They are finding all kinds of slick, sneaky, unorthodox ways to get around parliament, to get around the Legislature, to ignore the Legislature. It is unbelievable the contempt they have for the Legislature.

Mr. Chairman, it is simply mind boggling. And unfortunately there is nothing we can do to stop them, they have a majority, they have a mandate, they have forty-four members. And it seems to me that they interpret that mandate to do what they like with the finances of this Province, and with the Legislature of this land. And this preborrowing policy, Mr. Chairman, is wrong and it should be abandoned by the minister. I could stand here until doomsday and argue why these policies are wrong, but the minister will stand and pooh pooh the arguments as if he was God, as if everybody else is wrong and the minister is right. The hon. gentleman thinks because they have forty-four members they can do what they like, they can ignore the legislature, they can remove the power of the purse and put it down on the eighth floor of Confederation

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MR. NEARY:

Building and have the decisions made by bureaucrats. I would not mind if it was the cabinet that made the decisions, but it is a crowd of bureaucrats. Mr. Chairman, even with their forty-four members they still do not run the Province.

MR. S. NEARY: Ministers still do not make their own decisions. The decisions are made by the bureaucrats. They have a stranglehold on the administration. I cannot point to one minister at the present time who runs his own department, who can stand on his own feet, who is completely independent and say I will run my department, and we will run this Province and this government the way that we want to run it. I cannot point my finger at one. The bureaucrats have a stranglehold on the ministers, and on the administration, and they are being told what to do by consultants and by public relations people. Now, Mr. Chairman, this is a very dangerous practice indeed and one that concerns me very much. And it should concern every member of this House, if he understands how the system works. Not one member would sit over there behind the Minister of Finance (Dr. Collins), if hon. gentlemen understood what it is the minister is doing, not one of them. They would all scabble for dear life, they would all run for cover if they knew what the hon. gentleman was up to and what his colleague the government House Leader (Mr. Marshall) is up to. This is a diabolical attempt, Mr. Chairman, to take away the authority of the Legislature and put it down on the eighth floor of Confederation Building. And the hon. gentleman stands in a sanctimonious manner, shrugs it off and says, 'This is not a record, this bill to borrow is not a record'. Well, it is a record. The borrowing, Mr. Chairman, has reached record proportions, And I would not mind if we had something to show for it, but we have nothing to show for it. We have the highest per capita debt in the whole nation and we do not have a thing to show for it. Mr. Chairman, as I said earlier today during the Question Period when the government House Leader was replying to a question that I

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MR. S. NEARY: asked him, the hon. gentleman was criticizing the deficit, the federal deficit, \$25 billion or \$30 billion.

MR. NEARY: If that frightens the hon. gentleman, what about the public dept of this Province, \$3.2 billion?

DR. COLLINS: It is all attributable to the Liberals.

MR. NEARY: It is all what?

DR. COLLINS: It is all attributable to the Liberals.

MR. NEARY: It is all attributable to the Liberals.

Now, Mr. Chairman I would be very interested in hearing the hon. gentleman's theory on that, his logic, his mad hatter logic on that. This administration, if I recall, were the ones who took over the Churchill Falls Corporation, nationalized it. It was this administration that nationalized the Churchill Falls Corporation that has cost the taxpayers of this Province millions piled upon millions of dollars. It was this administration, that set off two explosions on either side of the Strait of Belle Isle that cost a couple hundred million dollars. It was this administration that nationalized Labrador linerboard, that cost \$500 million. There is a \$1.25 billion right there in three items that I mentioned. Three items, \$1.25 billion, Mr. Chairman, but that is another argument. I could give the hon. gentleman a continuing argument, we could have a continuous debate on that matter, but I do not want to get sidetracked because I am trying to focus attention on what the Minister of Finance (Dr. Collins) is up to, and what the administration is up to. They keep chipping away at this House, Mr. Chairman. Pretty soon we will have no authority at all. In the previous bill, for instance, that the hon. gentleman brushed off as just calling it - he termed it an administrative change. In actual fact, what the bill did was give the Minister of Finance the authority to change the Tobacco tax every time the price of cigarettes went up, or the price of tobacco went up, without any reference to this House. They found another sneaky, slick little way to get around the gasoline tax and the tobacco tax without having to bring bills into the House, and answer for their stewardship.

MR. BAIRD: You are getting paranoid, you know.

MR. NEARY: Yes, I am getting kind of paranoid all right. The hon. gentleman in his ignorance does not know what is happening or the hon. gentleman not only would he be paranoid but he would move his seat - he is pretty closeto outside the gate down there now - the hon. gentleman would move his seat.

MR. BAIRD: Too big a majority for me.

MR. NEARY: Oh, too big a majority! The hon. gentleman, Mr. Chairman, in his simplicity and in his ignorance will vote for this bill because he does not know any better.

MR. BAIRD: A still tongue is a wise head, boy.

MR. NEARY: He does not know any better, Mr. Chairman. The fact of the matter is, Mr. Chairman, that they have been chipping away now for the last ten years at the authority of this House. They have been removing the decision making process of this House and putting it in the hands of the Cabinet. That is what they have been doing and nobody can deny that. The hon. gentleman cannot deny it.

Mr. Chairman, if we had done when we were in power, when the hon. Government House Leader (Mr. Marshall) was over on this side of the House, if we had done some of the things that are being done in this House now, the hon. gentleman would have leaped out the window of the ninth floor of Confederation Building he would have been so disgusted. He would have made a mad dash for the window and leapt out.

MR. CHAIRMAN (AYLWARD): Order, please!

The hon. member's time is up.

MR. NEARY: Well, Mr. Chairman, I would like to get back at this again for a few minutes.

MR. CHAIRMAN (AYLWARD): The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, the duty of the Opposition is to oppose and the hon. member was performing that function. He erects all sorts of straw difficulties, you know, all sorts of preposterous -

AN HON. MEMBER: They are straw men.

DR. COLLINS: Straw men. Yes, all right. He erects all sorts of preposterous propositions but only to test the government, to see if they will answer them properly and I hope I will do that. The members of this House hardly need to have these answered.

The hon. member says that we are taking away decision making from this House. Mr. Chairman, this is why we brought in the bill and why we explained the bill, to make sure that the decision of this House is made in good knowledge. It is not taking away decisions from the House, it is saying, 'Here is what we propose to do. This is what we would like you to understand us to want to do, will you now give us that decision?'. We are not taking away the decision making authority of the House, we are actually making sure that the decision making in the House is done in the best possible knowledge.

Similarly the hon. member raises the spectre - you know, it was only raised half facetiously - raises the spectre that what we are doing is illegal. Well, we are making laws now.

DR. COLLINS: That is what this House does, this House makes laws. In other words, it brings in a motion, it votes it into law and then it is legal. So, it is not illegal what we are doing, we are actually arriving at decisions which will have the force of law. Now, there are a number of points though that I think would be as well to lay out. Firstly, when we borrow we often make money on our borrowing and it is not very strange when you come to think of it, because we borrow at preferential rates. For instance, we might borrow in the market-at the present time we could borrow probably at around 15.75 per cent something of that order, if we went to the bond market. Now, we would not, of course, put that money in our back pocket or down in the vault and just leave it there, we would reinvest the money until such time as it is necessary and probably we would reinvest it at something like 17.5 per cent.

MR. NEARY: Where is it?

DR. COLLINS: Well, we will invest it in short term deposits at the banks and so on, and so we will actually make money during the interval the Province, because of its acceptance in the bond markets, we can borrow monies at a rate that is below what the individual can borrow, below what many corporations can borrow, A government can borrow at preferential rates. And so it is not by any means necessarily so that if we borrow in excess of our immediate needs that it is costing us money, more often than not we make money on it. Now, the hon. member also suggested that this borrowing, if we do preborrow might give us leave to spend that extra money.

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DR. COLLINS:                   The only authority this government or any government has to expend money comes from the House. We can not spend money unless the House gives the authority to do so. So, there is no risk of our spending any monies that we borrow or otherwise acquire in addition to what this House has given us authority to do.

DR. COLLINS: It is impossible to do it. So there is no risk there. Now the hon. member suggests that this is new and I can understand why that view could be taken. It is not, strictly speaking, new. As I indicated to the hon. member already, this has been done before, it was done in 1975. Whether it was done prior to that I do not have any personal knowledge, but I know definitely it was done in 1975.

The other thing to remember is that there are new circumstances in financial markets these days. There are tremendous volatilities in the market. Interest rates are changing at a rate never before witnessed. And I am sure that anyone who has a mortgage will understand that at certain points in time it is advantageous for him, if he can do it, to renew his mortgage, whereas at other points in time it is to his disadvantage to renew it because rates can change and they can change in a very short period of time. That is what any sensible government - and we are not unique in this, all governments in the world are doing this these days. Governments are putting themselves in a position whereby if markets change, if interest rates change, they can fulfill their borrowing requirements to their best advantage. And that is what we are doing here. We are saying that if we are caught short early next year, say in February or March of next year and we have no borrowing authority, and, of course, this House might not be sitting at that particular time, if we have no authority to borrow and therefore have to delay our borrowing and interest rates went up, we would be culpable, we would be open to criticism on the part of the members of this House and on the part of the people of this Province. But what we are doing by giving us this element of flexibility - and the flexibility has always been there. For instance,

DR. COLLINS: in 1979-1980 there was maximum borrowing authority given of \$216 million. That is in addition to the authority under the Canada Saving Plan and so on, \$216 million. There was \$175 million borrowed, so the full authority was not taken up. In 1980-1981 there was authority given under the Loan Bill of \$220 million and because of market conditions - they were poor - we only borrowed approximately \$88 million. So there was a tremendous spread there. We did not even go near the authority given to us. Last year, 1981-1982, we had borrowing authority of \$265 million and we only borrowed \$245 million. So there has always been that element of flexibility there and it is never more needed than at the present time when the interest rates are so volatile.

DR. COLLINS: And, also, when we do preborrow like that we can expect nine times out of ten that we will actually make some money on the deal.

So I hope these answered any misgivings or any wonderings that people might have had arising out of the hon. the Leader of the Opposition's (Mr. Neary) remarks which he put there just to be knocked down I am sure.

MR. CHAIRMAN (AYLWARD): The hon. Leader of the Opposition.

MR. NEARY: Mr. Chairman, everything with this administration seems to be pre. We have the previous administration, we had the pre-tendering and now we have the preborrowing and we have the Minister of Finance (Dr. Collins), the pretender. Mr. Chairman, the hon. gentleman has not given this House the assurance that I asked the hon. gentleman to give and it is this: The hon. gentleman is asking the House to approve preborrowing for next year, the fiscal year 1983-1984, to the tune of \$75 million. Now I say that is unheard of. But the hon. gentleman obviously is going to get the bill passed because they have a majority. What guarantee does this House have that if the administration borrows this money that it will not be spent in the current fiscal year? What guarantee do we have?

MR. TULK: None.

MR. NEARY: Mr. Chairman, is this the way that the government is going to overcome any deficit that they might have in the current fiscal year? Is this a new technique now? Instead of the Minister of Finance having to announce a deficit in current account and the Government House Leader (Mr. Marshall) boasting about, 'We are the only government in Eastern Canada that can balance the budget' - is this the way we are balancing the budget? Mr. Chairman, even a kindergarten student knows that the budget is not balanced in this Province. All they are doing is manipulating the figures. They are cooking the

MR. NEARY: accounts, as I said earlier. That is what they are doing.

Mr. Chairman, here is the sneaky way they are doing it: They are moving things over in capital account that should be in current account and then they are borrowing the money to pay these amounts.

DR. COLLINS: That is not true.

MR. NEARY: That is true, Mr. Chairman. They have skillfully and diabolically shifted things that are normally considered to be current account estimates, they have shifted them over to capital account and now they are going out and borrowing the money to meet the commitments in capital account. And they call that balancing the budget.

MR. TULK: Cooking the books, boy.

MR. NEARY: That is right. I would call it cooking the books. And the same thing with this \$75 million.

MR. NEARY: Really what the government should be borrowing this year is \$261 million. Why? Because that would take care of all your commitments in the current fiscal year, \$261 million, the \$75 million is not necessary. It looks to me, Mr. Chairman, what they are doing is giving themselves a cushion. They are giving themselves a safety valve in case we have a bad year. They have built into the borrowing \$75 million in the next fiscal year. Now when the next fiscal year rolls around they will ask for preborrowing for \$150 million, \$75 million to pay off what they borrowed for this year's pre borrowing, and \$75 million for the succeeding fiscal year.

MR. TULK: Well, they should be able to state in the Budget that they have \$75 million that they are not taking out.

MR. NEARY: That is right.

MR. TULK: Maybe they will sneak that in.

MR. NEARY: They will be able to show somewhere in the estimates that they invested \$75 million and collected the interest off it, next year's borrowing. Mr. Chairman, this explanation given by the minister has nothing to do with the money markets, nothing. It has nothing to do with coming down towards the new fiscal year in February or March and we have to take advantage of this situation or that situation. That is not the way it works at all, Mr. Chairman. The Minister of Finance (Dr. Collins) is asking this House to pass a bill to provide borrowing to the administration for two distinct and separate fiscal years. And that is a pretty serious situation, Mr. Chairman, pretty serious. There is not a thing we can do about it, they have a majority, they can ram this bill through, but I would suggest to the Government House Leader (Mr. Marshall) that if his principles are not gone out the window altogether, that if he has any principles left on these matters as shown

MR. NEARY: when he was on this side of the House, that he would deduct now - ask for a bill for \$261 million instead of \$336 million.

MR. TULK: Is it ever possible the bill asks for that power?

MR. NEARY: I am not talking about the bill, I am talking about the total borrowing. The bill itself is for \$220 million. That \$220 million should be reduced by \$75 million.

MR. MARSHALL: There is a good logical reason.

MR. NEARY: Pardon?

MR. MARSHALL: There is a good logical reason.

MR. NEARY: What is the good logical reason?

MR. MARSHALL: Sit down and let me tell you.

MR. NEARY: The Minister of Finance certainly did not give it to us,

MR. NEARY: perhaps the government House Leader (Mr. Marshall) might like to stand and give us a few words. And I would gladly take my seat to hear if the hon. gentleman's explanation agrees with the Minister of Finance (Dr. Collins). There is a very good reason for it all right. The very good reason for it is that the spending and the borrowing of this administration is out of control, that is the reason for it, completely out of control. They do know know what they are doing, Mr. Chairman.

MR. BAIRD: He is answering his own question, now that is what he is doing.

MR. NEARY: That is right, I have answered my own question.

MR. TULK: Somebody has to do it.

MR. NEARY: It is obvious. It should be obvious to even a kindergarten student as to what is happening. They have no control over their borrowing or spending. And they are putting in a little safety valve for themselves in case they need that extra \$75 million, and they are calling it preborrowing, preborrowing! It is a good coverup for it. Mr. Chairman, I did not ask a question as to whether this was unconstitutional or illegal with tongue or cheek, I certainly did not. I would like to get some legal opinions on it, I would like to get the opinions of some constitutional experts on it. In the meantime, I think the bill should be reduced by \$75 million.

MR. MARSHALL: You should have talked to Eugene Forsey.

MR. NEARY: I certainly did. Mr. Forsey gave me an opinion on the government, on the administration spending money earlier this year without the authority of the House.

AN HON. MEMBER: (Inaudible) a constitutional expert.

MR. NEARY: Yes, well, if the hon. gentleman thinks that Mr. Forsey is a constitutional expert on that matter, he should also think that he is a constitutional expert on the other matter.

MR. MARSHALL: He is an expert when you want him to be.

MR. NEARY: I see. Oh, he is only an expert when you want him to be.

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MR. SIMMS:

When you want him to be.

MR. NEARY:

Mr. Forsey said that it was improper and probably illegal, and if it was tested in the Supreme Court of Canada that it would probably be termed unconstitutional, the government spending money without authority of the House. That is what Mr. Forsey said.

MR. MARSHALL:

We have always spent money with the authority of the House.

MR. NEARY:

Spent without the authority of the House.

MR. CHAIRMAN( Aylward ):

Order, please! The hon. member's time has elapsed.

MR. NEARY:

So, they will probably pass this bill immaterial of what I say.

MR. NEARY: There is nothing else I can say to try to persuade members to change their minds and reduce the amount by \$75 million. And if they do not change their minds, well, we will just have to put it to a vote and see what happens, Mr. Chairman.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, without amendment, carried.

MR. MARSHALL: Mr. Chairman, I move that the Committee rise and report progress.

On motion, that the Committee rise and report progress, Mr. Speaker returned to the Chair.

MR. SPEAKER(Russell): The hon. the Chairman of Committees.

MR. CHAIRMAN(Aylward): Mr. Speaker, the Committee of the Whole has considered the matters to it referred and has directed me to report that it has adopted certain resolutions and recommend that appropriate bills be introduced to give effect to the same.

On motion, report received and adopted, bills ordered introduced now, by leave.

On motion, the following bills were introduced and read a first, second and third time, ordered passed and their titles be as on the Order Paper, by leave.

A bill, "An Act To Amend The Income Tax Act". (Bill No. 49).

A bill, "An Act To Amend The Tobacco Tax Act, 1978". (Bill No. 48).

A bill, "An Act To Authorize The Raising Of Money By Way Of Loan By The Province". (Bill No. 47).

MR. MARSHALL: Order 45, Bill No. 45.

MR. SPEAKER (Russell): Order, 45, Bill No. 45, Second reading of a Bill, "An Act To Provide For The Appointment Of Parliamentary Secretaries To Ministers Of The Crown". (Bill No. 45).

The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, this bill stands in the name of the hon. the Premier and because it is in the name of the hon. the Premier and he is not here, I wondered whether the hon. gentlemen there opposite might, because of the supreme authority under which it was introduced, want to let it go through without debate.

SOME HON. MEMBERS: Oh, oh!

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, the import of this bill is well known, it provides for the appointment of parliamentary secretaries to ministers of the Crown, it provides for not more than four parliamentary secretaries at any given time, a parliamentary secretary will hold office during pleasure, and it also provides, Mr. Speaker, for consequential amendments to the Legislative Disabilities Act.

Of course, that Legislative disabilities Act provides that no member of this House can obtain monies or emoluments from the government other than those that are listed for the offices in the Legislative Disabilities Act itself. So we have included in here the parliamentary assistant to the Premier, which was there before, the Opposition House Leader, which was not there before. Maybe the Opposition House

MR. MARSHALL: Leader, I would think, probably has been paid illegally before, I do not know, and I am sure that is a matter that the Auditor General will want to look into and pursue with a great vigor. I will tell the present Opposition House Leader though that as far as the government members are concerned, they will resist any attempt by the Auditor General to collect retroactively any monies as a result of us not leading this amendment before.

Now, the act has been implemented -

MR. NEARY: What ministers will have them?

MR. MARSHALL: Well, I will tell you what ministers have parliamentary secretaries. Actually, it is not just ministers who have them, it is the government that is blessed by these ministers because they are all encompassing.

MR. MARSHALL: For instance, the Speaker of the Social Policy Committee, the hon. the Minister of Justice (Mr. Ottenheimer), has the great benefit of the weight and advice of Parliamentary Secretary, the hon. the member for Conception Bay South (Mr. Butt). And in that office the hon. member for Conception Bay South is involved in assisting the minister with respect to his duties as Chairman of the Social Policy Committee involving all of the departments, not just the department of Justice, but the Department of Health and the Department of Culture, Recreation and Youth and -

MR. SIMMS: Hear, hear!

MR. MARSHALL: -not to be forgotten, the Department of Education. The hon. member for Stephenville (Mr. Stagg) assists the hon. the Minister for Development (Mr. Windsor) -

MR. WINDSOR: Hear, hear!

MR. MARSHALL: - who is Chairman of the Resource Policy Committee. The hon. Minister of Development, who is the workhorse of the government, needs somebody with him and he is very glad to have the experience of the hon. member for Stephenville to assist him.

MR. WINDSOR: Exactly so.

MR. MARSHALL: Then the Minister of Finance (Dr. Collins) has the hon. the member for St. John's West (Mr. Barrett), with his great experience in the business community and his great knowledge of financial affairs, to assist him. And last but not least, and probably the other members will say - the hon. the member for Baie Verte-White Bay (Mr. Rideout), of course, is the Parliamentary Assistant, a very capable and competent Parliamentary Assistant to the hon. the Premier. So, it is Mr. -

MR. SIMMS: That is not under this bill, is it?

MR. MARSHALL: Well, I mean, he is mentioned in this bill. He was there before, but he is mentioned in this bill with respect to the consequential amendments and I mentioned the hon. gentleman purely and simply because of the job that he is doing as well as -

AN HON. MEMBER: A good one.

MR. MARSHALL: Yes - and as well as the member for Menihek (Mr. Walsh) who has a great knowledge, represents the Western Labrador, and is assisting very much on a daily basis the Minister of Northern Affairs (Mr. Goudie) in carrying out the very indepth duties that the hon. Minister for Northern Affairs has.

MR. W. MARSHALL: It goes to show and bears testimony to the emphasis which this government is placing on the situation in Labrador and on paying attention to the needs of Labrador, a situation, Mr. Speaker, that we recognized some time ago, in 1979, when we created from one Coastal District in Labrador two seats. As a result, Mr. Speaker, we have two Liberals but we tolerate them. But for that, Mr. Speaker, they would not have enough to form their eight man dog team, there would only be seven of them there. So, I mean, it is through the tender mercies and graces of this government that the hon. gentleman there opposite number eight. So we feel this bill is a great step forward, it gives, it affords to members, to private members on the government side, it affords to them an opportunity to gain experience in the executive arm of the government, forbodes great things to come for hon. gentlemen as well as other hon. gentlemen. It allows the government to avail of some of the considerable and extensive experience of private members, in the very large number of private members that we have. We have forty - four members as the hon. gentlemen on this side will, you know, understand and are experiencing. So I have great pleasure in moving the adoption of this bill. There is a provision here for salary. I know that the hon. gentleman will ask what the salaries are. The salaries for the Executive Assistants to the minister are \$12,500, the salary to the -

MR. SIMMS: Not enough.

MR. MARSHALL: - Executive Assistants to the Premier is, I believe, \$15,000, as is the salary of the Opposition House Leader, also \$15,000. So I have, Mr. Speaker, much pleasure in moving the adoption

MR. MARSHALL:

of this particular bill.

MR. SPEAKER(Russell):

The Leader of the

Opposition.

MR. NEARY:

Mr. Speaker, this is the most barefaced attempt at political patronage that we have ever seen in the history of this Province. It is a straight pay-off, it is buying off members, buying the loyalty of members so they would not kick over the traces, that is what this is, Mr. Speaker. The hon. member, for instance, for Conception Bay South ( Mr. Butt) who at one point in his career was the Deputy Speaker of the House and Chairman of Committees, was demoted after the election, demoted and found himself out in the cold. The hon. gentleman thought he was going to get invited into the Cabinet, and when the Premier summoned him to the private dining room down on the main floor.

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: - the hon. gentleman's chest came out about six inches, he figured that was the first step on the way to Government House to be sworn in as a Minister of the Crown. And when the hon. gentleman was told in the confines of the private dining room that he would have to stand in line and wait, the hon. gentleman rebelled. The hon. gentleman did not believe in the old adage 'That he also serves, who only stands and waits'. The hon. gentleman did not believe that, became very impatient, threatened all kinds of things and even went as far, Mr. Speaker, as to move his seat over on this side of the House, not necessarily with the opposition but down to my right,

AN HON. MEMBER: Who was that?

MR. NEARY: - the hon. member for Conception Bay South (Mr. J. Butt), and there was a - so the administration was on the brink of a palace revolt, Mr. Speaker,

MR. TULK: Was he the fellow who said, Well, if you do not put me in the Cabinet you are going to have to find something for me?

MR. NEARY: The hon. gentleman, yes, said, ' If you do not put me in the Cabinet you are going to have to find something for me, because I am not putting up with it'. So, Mr. Speaker, I am using the hon. gentleman as an example to show how these five additional parliamentary secretaries to ministers came about.

MR. BAIRD: Four.

MR. NEARY: Five.

MR. BAIRD: Four.

DR. COLLINS: You are shedding a new light on these characters.

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Tape 1816

JC - 2

MR. NEARY: There are four, there is one in the Premier's office.

MR. RIDEOUT: No, he was always there.

MR. NEARY: Well, there are five parliamentary assistants we have now, a total of five.

MR. SIMMS: Four new ones though.

MR. NEARY: Four new ones and one is five. The one in the Premiers office is five. Mr. Speaker, the real reason, the real reason behind the appointment of four additional parliamentary secretaries is too keep them quiet, it is to buy their loyalty. And that is a pretty expensive price for the taxpayers of this Province to have to pay to try to stave off dissention in the ranks,

MR. NEARY: to try to stave off a palace revolt, to try to silence members who were disgruntled and who were disgruntled only hours and days after this government was given a mandate of forty-four seats, disgruntled and disillusioned and discontented within a matter of days after the election when they all sat back, the ones who were in the House before, and waited for the call, sat by their telephones and waited for the call from the Premier. And when they did get the call, Mr. Speaker, they were awfully and bitterly disappointed and threatened, Mr. Speaker, to do all kinds of things if the Premier did not find something for them. And what he found for them was to make them parliamentary secretaries.

Mr. Speaker, this is the highest number of parliamentary assistants that we have ever had in our whole history.

MR. BAIRD: It is the best government we ever had in our whole history.

MR. BARRETT: The richest Opposition we ever had in our whole history.

MR. CARTER: The rudest Leader of the Opposition we have ever had.

MR. NEARY: Mr. Speaker, I would not mind it so bad if these hon. parliamentary secretaries could just come into the House and sit there and feel ashamed of themselves. They should sit there, Mr. Speaker, with their thumbs in their mouths and not say a word day in and day out and hope nobody will recognize that they are there. But instead of that we have the member for St. John's West (Mr. Barrett) continuously interrupting -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: - the debates in this House, lowering the decorum of the House. And the same way with the member for Humber West (Mr. Baird) who is also a parliamentary secretary. They should sit over there and keep quiet and hope that nobody

MR. NEARY: will notice that they are there  
in their seats.

MR. BAIRD: You know we are here, buddy.

MR. NEARY: They hope that nobody will notice  
that they are getting an extra \$12,500 a year for nothing.

MR. BAIRD: You know we are here.

MR. NEARY: There you go, Mr. Speaker, there  
is the kind of arrogance that we are talking about.

MR. BARRETT: Listen to who is talking about  
arrogance.

MR. BAIRD: I hope you do not recognize me.

MR. NEARY: Is the hon. gentleman being paid  
\$12,500 additional salary a year plus fringe benefits just  
to snipe at the Opposition?

MR. RIDEOUT: No, he is not being paid that.

MR. NEARY: Not being paid it?

MR. RIDEOUT: No.

MR. NEARY: \$12,500, the hon. gentleman -

MR. RIDEOUT: He is not a parliamentary secretary.

MR. NEARY: What is he?

MR. BARRETT: His name was not mentioned, he is the West Coast assistant.

MR. NEARY: Oh, he is the West Coast assistant.  
Oh, that is something different. Ah, he is the fellow who  
took 'Luke's' job. Oh, yes. Poor old Luke has been brushed  
aside again.

MR. NEARY: 'Luke' has been overlooked now on several occasions, and I would suspect right now that the member for the Bay of Islands (Mr. Woodrow) is getting rather perturbed and browned off with the administration.

MR. BAIRD: You are lucky he did not stay Liberal, he would be Leader of the Opposition now.

MR. NEARY: So, Mr. Speaker, let us look at what we have now. We have five parliamentary assistants, everyone of them unnecessary, and we also have a representative from the Premier's office in the government building in Corner Brook. So that is a total of six really, that is the equivalent of a parliamentary secretary, it is the same thing and probably the same pay, the same salary, we do not know what the hon. gentleman is being paid. The \$12,500 -

MR. ROBERTS: The Public Accounts Committee will find out.

MR. NEARY: Yes, I hope my hon. colleague, the chairman of the Public Accounts Committee, will attempt to find out. Mr. Speaker the \$12,500, that they will be paid is only part of the expense, the unnecessary expense of setting up these parliamentary secretaries. There will be other expenses involving travelling, there will be offices and secretaries -

MR. HODDER: Penthouses.

MR. NEARY: \$10,000 for travelling?

MR. HODDER: Penthouses.

MR. NEARY: Penthouses?- There will be travelling, there will be their own telephone lines. Let me see, what else will there be?

MR. HODDER: They have a full-time secretary, instead of a part-time.

MR. NEARY: So, Mr. Speaker, what we are talking about here is not \$12,500 a parliamentary secretary, we are talking more like \$40,000 to \$50,000 per parliamentary secretary, and, I would suggest to this House, that will grow year by year. So, if we are talking about - let us round it out to \$50,000 a year for each parliamentary secretary, that is \$200,000 of taxpayer money that is being spent

MR. NEARY: unnecessarily. You may as well take that \$200,000, Mr. Speaker, and go down town and have a big celebration, because that would mean the same thing, Mr. Speaker. It is absolutely outrageous. It is absolutely outrageous, it is scandalous. Mr. Speaker, is it any wonder that in one month, within one month after this government was elected, the credibility of the administration and the Premier of this Province has nose-dived fo quickly?

MR. TOBIN: Did you see the latest poll?

MR. NEARY: Yes, I saw the latest poll that shows that the credibility of this administration at the present time is in pretty bad shape.

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MR. NEARY: Mr. Speaker, the credibility of this administration is shot.

MR. HODDER: Hear comes the one from Stephenville (Mr. Stagg) now.

MR. NEARY: Pardon?

MR. HODDER: The parliamentary -

MR. NEARY: Oh, there is the parliamentary secret from Stephenville.

SOME HON. MEMBERS: Hear, hear!

MR. STAGG: If you want to insult someone you are picking on the right guy now.

SOME HON. MEMBERS: At a boy! Hear, hear!

MR. NEARY: Mr. Speaker, so it is going to cost closer to \$200,000 or \$250,000 a year for the Premier to keep the loyalty of five members, five members on that side of the House. And the hon. the Premier got mad with the CBC when they ran a programme showing that this was the most expensive Premier and the most expensive administration in the whole of Canada. The hon. gentleman got mad, got mad with the CBC and sulked and would not agree to any more interviews unless they were on his terms. But I noticed last night, Mr. Speaker, I noticed last night the hon. gentleman could not resist the temptation to comment on the federal budget. Now, what I would like to know is if the hon. the Premier has changed his mind -

MR. CARTER: What has this got to do with this bill?

MR. NEARY: It has all to do with the bill.

MR. TOBIN: Like what?

MR. NEARY: - has changed his mind and is now granting interviews with the CBC on their terms and not on the Premier's terms.

AN HON. MEMBER: Where is the CBC bill?

MR. HODDER: It was a parliamentary

MR. HODDER: assistant that gave the advice in the first place.

MR. NEARY: That is right. It was a parliamentary assistant who delivered the message to the CBC. It was one of the flunkies, one of the flunkies that was appointed, one of the bat boys, one of the water boys that delivered the message to the CBC.

MR. TULK: It was only a few years ago he was writing his poison pen letters.

MR. NEARY: And, Mr. Speaker, so what I would like to know is if he is now reversed himself again, if the policy is changed and if the Premier is now granting interviews on CBC's terms -

MR. BAIRD Why do you not ask him.

MR. NEARY: Well, Mr. Speaker, the trouble is that it is going on three weeks since the Premier appeared in this House. I think they are afraid to let him loose. The last time he was here he went berserk.

MR. TULK: That was on his salary, was it not?

MR. NEARY: That is right when we were doing - The last time the Premier was in this House was when we were doing the Premier's salary and he was getting criticism about being the most expensive Premier in Canada. He went completely berserk, left the House and I would think, Mr. Speaker, it would seem that way, that hon. gentlemen have asked him not to come back until the session is over.

MR. NEARY: Because one thing that the Premier (Mr. Peckford) cannot stand is criticism. He cannot stand criticism.

MR. BAIRD: I would go berserk if I was sitting opposite you all day long.

MR. NEARY: Well, the hon. gentleman does not have far to go.

So, Mr. Speaker, I have a few more comments I would like to make on this tomorrow, but as it is getting near six could I move the adjournment of the debate?

MR. SPEAKER (RUSSELL): It is noted that the hon. Leader of the Opposition (Mr. Neary) has adjourned the debate.

The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, I move the House at its rising do adjourn until tomorrow, Wednesday, at 3:00 p.m. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 3:00 p.m.

I N D E X

ANSWERS TO QUESTIONS

TABLED

JUNE 28, 1982

QUESTION 94 - ORDERS OF THE DAY 10/82 May 27, 1982.

QUESTION: Mr. Hodder (Port au Port) to ask the Minister of Finance to lay upon the Table of the House the following information:-

What firms have carried out legal work for the Newfoundland Liquor Corporation for the fiscal years 1979-80, 1980-81, 1981-82 under the headings.

- (a) itemized expenditure
- (b) fees charged
- (c) firm involved
- (d) nature of legal work undertaken

ANSWER: The information requested is attached.

## LEGAL FEES

FISCAL YEAR ENDING MARCH 31, 1980

(a) DATE	(b) AMOUNT	(c) NAME	(d) DESCRIPTION
April 20, 1979	\$92.70	Stirling, Ryan & Associates	Opinion re Elections Act
May 8, 1979	120.00	" "	Opinion re Liquor Control Act
June 7, 1979	120.00	" "	Opinion re Convention Convenience Stores
June 12, 1979	140.00	" "	Opinion re Brewers Retail, Distributors & Agents Licenses
June 20, 1979	40.00	" "	Power of Attorney - Customs and Excise
July 16, 1979	120.00	" "	Econo Malls Shopping Center Development
August 20, 1979	480.04	" "	Trade Mark Registration "Famous Nfld. Screech"
October 12, 1979	90.00	" "	Glovertown Lease
October 18, 1979	480.00	" "	Gordon Crocker - charge under Liquor Corporation Act
November 2, 1979	60.00	" "	Buchans Lease
January 15, 1980	210.00	" "	Bass Export Contract
January 15, 1980	120.00	" "	Collective Agreement
February 5, 1980	125.00	" "	Opinion re Municipal Taxes
February 27, 1980	175.00	" "	Advice re bottle deposit, refunds
March 11, 1980	55.00	" "	Opinion re Conflict of Interest Legislation
April 30, 1980	210.00	" "	Bruno Plaza Lease
	<u>\$2,637.74</u>		

LEGAL FEES

FISCAL YEAR ENDING MARCH 31, 1981

<u>(a)</u> <u>DATE</u>	<u>(b)</u> <u>AMOUNT</u>	<u>(c)</u> <u>NAME</u>	<u>(d)</u> <u>DESCRIPTION</u>
August 19, 1980	\$70.00	Stirling, Ryan & Associates	Magistrates Court
September 8, 1980	350.00	" " "	Option Agreement Lundrigans Ltd.
September 8, 1980	750.00	" " "	Lease -- Murray Premises
September 10, 1980	35.00	" " "	Correspondence with Auditor General
September 23, 1980	350.00	" " "	Legislative amendments - light beer
September 25, 1980	450.00	" " "	Lease - Exploits Valley Mall
October 31, 1980	395.00	Fetherstonhaugh & Co.	Design Application - Nfld. Dog.
March 13, 1981	215.00	" "	U.S. Trade Mark Application Scotch
	<u>\$2,615.00</u>		

## LEGAL FEES

FISCAL YEAR ENDING MARCH 31, 1982

(a)	(b)	(c)	(d)
<u>DATE</u>	<u>AMOUNT</u>	<u>NAME</u>	<u>DESCRIPTION</u>
April 12, 1981	3075.00	Fetherstonhaugh & Co.	U.S. Patent application MFD. Dog
April 16, 1981	50.00	Mathews, Blackmore & LeBlanc	NLC vs. Pat Higgins
May 14, 1981	305.00	Fetherstonhaugh & Co.	Registration Screech Label
July 2, 1981	325.00	Stirling, Ryan & Assoc.	Air Conditioning - Stares Mechanical
August 25, 1981	330.00	"	Claim - Audrey Brake
November 17, 1981	250.00	Fetherstonhaugh & Co.	Proposed New Screech Label
November 23, 1981	654.00	"	Canadian Trade Mark Application, Cabot Tower & Big Dipper
November 17, 1981	45.00	"	Canadian Trade Mark Applic
January 14, 1982	180.00	Stirling, Ryan & Assoc.	Opinion re Elizabeth Ave. property lease.
January 14, 1982	2,375.00	"	Various Trade Mark registrations
January 15, 1982	2,994.89	"	Claim - Day & Ross Ltd.
May 26, 1981	425.00	"	Topsail Road Property- refund of deposit
May 26, 1981	75.00	"	Opinion re tax liability
	<u>58,383.89</u>		